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Japan

Hashimoto on Auto Negotiations With U.S.

OW2208124195 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0551 GMT 22 Aug 95

[News conference by Ryutaro Hashimoto, Japanese International Trade and Industry (MITI) minister, with domestic reporters at the MITI in Tokyo on 22 August — recorded]

[FBIS Translated Excerpt] [Passage omitted] During a cabinet meeting this morning, I gave a briefing on the Japan-U.S. auto and auto parts negotiations held under the Japan-U.S. framework talks. From now on, I will discuss my briefing to the cabinet meeting.

During the cabinet meeting, the chief cabinet secretary, as acting foreign minister, said that Japanese Ambassador to the United States Kuriyama, U.S. Trade Representative Micky Kantor, and U.S. Commerce Secretary Brown would exchange letters in Washington on 23 August, and the letters will confirm what I stated during the cabinet meeting.

I think that it is better to read the statement I made to the cabinet meeting.

"What I want to stress in briefing you on the specific contents of Japan's measures is that with the settlement of Japan-U.S. negotiations on autos and auto parts, the principle of the most-favored-nation-trading status has been maintained and the principle of maintaining the reciprocity in line with international rules aimed at promoting free trade and excluding numerical targets has been secured. The settlement of Japan-U.S. negotiations on autos and auto parts is of great significance. To explain specifically Japan's measures to increase opportunities for foreign-built automobiles and foreign-made auto parts to sell on the Japanese market, Japan will work to promote business talks between foreign automakers and Japanese car dealers. In addition, the Japan External Trade Organization will hold imported car exhibitions.y

During the cabinet meeting, I also said I intend to announce my candidacy for the ruling Liberal Democratic Party's presidential election when the election is formally announced, as I noted during an earlier news conference.

The Japan Development Bank will take preferential financial measures to promote the imports of foreign-built automobiles and foreign-made auto parts. Meanwhile, the United States will make continued efforts to boost the competitiveness of the U.S. manufacturing industry. The United States will also encourage U.S. auto-parts makers to manufacture competitive auto parts with the aim of boosting the exports of U.S.-made auto parts. With regard to an objective criteria for assessing the implementation of those measures, Japan's measures will be assessed on the basis of the number of foreign-built automobiles sold on the Japanese market and the amount of foreign-made auto parts imported to Japan. Meanwhile, the measures taken by the United States will be assessed on the basis of efforts made by U.S. automakers and U.S. auto-parts makers to improve the competitiveness of their cars and auto parts. Both Japan and the United States have confirmed that this objective criteria does not constitute any numerical targets. The two nations will assess measures they implemented on the basis of reciprocity." This is what I reported to the cabinet meeting. [passage omitted]

MOT Chief Explains Auto Accord With U.S.

OW2208125795 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0554 GMT 22 Aug 95

[News conference by Japanese Transport Minister Takeo Hiranuma with unidentified reporters at the Ministry of Transport [MOT] in Tokyo on 22 August at 0155-0215 GMT]

[FBIS Translated Excerpt] [passage omitted] [Reporter] What kind of remarks did you make at a cabinet meeting held this morning?

[Hiranuma] I briefed them on developments of the Japan-U.S. framework talks on auto and auto parts. I explained that the Transport Ministry has honestly dealt with this issue and has done its utmost to implement deregulation of replacement parts without endangering safety and the environment. As a result, concerning replacement parts, we have removed four items from a list of major safety parts that are under restriction. In an effort to increase the number of independent maintenance shops, we have formulated a system for granting permits to shops that specialize in particular parts. In addition, we need to promote the import of foreign-made replacement parts, while improving an information network for them, to ease regulations on coverage of inspections required after making structural changes.

Article Views U.S. Navy's 'Risky' Air Drills

OW1808005195 Tokyo KYODO in English 0026 GMT 18 Aug 95

[FBIS Transcribed Text] Washington, Aug. 17 KYODO — The U.S. Navy is conducting risky air drills in Japan that have resulted in a fatal plane crash, according to a

U.S. report obtained Thursday [17 August] by KYODO NEWS SERVICE.

The Department of the Navy compiled the report on its investigation into a plane crash in Kochi Prefecture last October that killed two crew members during routine low-flight drills.

As the major factor in the crash, the report cites operating failure of the aircraft's pilot who lost consciousness as he made a sharp turn without considering the level of gravitational impact.

But it also points out that drill manuals and briefings failed to deal sufficiently with such possible accidents.

The plane, aircraft carrier-based A6E intruder of the 7th Fleet based at Yokosuka Naval Base, crashed into Sameuchi Dam surrounded by sheer cliffs like a ravine on a so-called "orange route" of low-flight, high-speed air drills.

The pilot lost control while making a sharp turn to avoid colliding with a cliff at a speed of 760-800 kilometers per hour at an attitude of 120-150 meters.

Under the conditions, the pilot is estimated to have faced a gravitational impact of between 5.3 and 7.0 for some 8 seconds.

Experts say that pilots pass out when exposed to gravitational impact of 5.0 for 5 to 10 seconds.

City Mayors, Russian Counterparts End Talks

OW1808141395 Tokyo KYODO in English
1348 GMT 18 Aug 95

[FBIS Transcribed Text] Yuzhno-Sakhalinsk, Russia, Aug. 18 KYODO — Mayors from the Russian far east and siberia and Japanese coastal cities ended a meeting Friday [18 August] with a communique calling for the promotion of economic, cultural and tourism exchanges.

Mayors from the two countries had differed over whether the bilateral territorial dispute would be incorporated into the communique, conference sources said.

At the request of the Japanese side, the communique said "the Japanese side expressed the hope that the bilateral territorial issue would be settled at the earliest opportunity and that representatives of Japanese and Russian local governments think it important to finally adjust postwar bilateral relations by concluding a peace treaty between Japan and Russia based on the principle of law and justice."

The territorial dispute involves four islands off Japan's northernmost main island of Hokkaido — Kunashiri, Etorofu, Shikotan and the Habomai group of islets — seized by the Soviet Army at the end of World War II. The meeting, 15th of its kind, was attended by 19 Russian and 21 Japanese mayors. The next such conference will be held in Hakodate, Hokkaido, in 1997.

Tokyo Condemns Bus Bombing in Jerusalem

OW2208110295 Tokyo KYODO in English
0916 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Japan on Tuesday [22 August] denounced the bombing of a passenger bus in Jerusalem on Monday but said the incident will not affect Prime Minister Tomiichi Murayama's planned visit to the Middle East next month.

"This latest event should be condemned, but it will not affect the visit by Prime Minister Murayama to the Middle East which is under consideration," Foreign Ministry spokesman Hiroshi Hashimoto said.

Murayama is expected to make a weeklong trip to Egypt, Syria, Israel and Saudi Arabia from around Sept. 12 to voice Japan's determination to contribute to peace in the region.

The visit will be the first by a Japanese prime minister to the region since then Prime Minister Toshiki Kaifu's journey in October 1990.

Murayama will be the first Japanese premier ever to visit Syria and Israel.

Hashimoto told a press conference that the specifics of Murayama's trip have not yet been ironed out.

The bus bombing in Jerusalem killed at least six people and left more than 100 wounded. A caller to an Israeli radio station claimed the work was that of the Islamic militant group Hamas of which he said he was a member.

Hashimoto said Japan strongly condemns the bombing, which occurred when Israel and the Palestine Liberation Organization (PLO) were continuing negotiations and which was aimed at destroying the Middle East peace process.

Japan hopes Israel and the PLO will continue to work toward an accord on expanding Palestinian autonomy in the West Bank, he said.

Kono Departs for Thailand, Cambodia, Australia

OW2208032195 Tokyo KYODO in English
0232 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Foreign Minister Yohei Kono left Japan Tuesday morning [22 August] for a five-day trip to Thailand, Cambodia and Australia to hold talks with leaders there and to attend a Japan-Australia ministerial meeting.

Kono will first visit Thailand, where a new government led by Prime Minister Banhan Sinlapa-acha was formed in July.

He will hold talks with Banharn and Foreign Minister Kasemsamoson Kasemsi to discuss bilateral and international affairs, including the Asia-Pacific Economic Cooperation (APEC) forum in November in Osaka, Foreign Ministry officials said.

On Wednesday, Kono will fly to Phnom Penh for a six-hour stay to hold talks with Cambodian Prime Ministers Norodom Ranariddh and Hun Sen, and Foreign Minister Ung Huot.

Kono, who served as chief cabinet secretary when Japan joined in UN peacekeeping operations for the first time, is expected to pledge continued Japanese support for Cambodia's reconstruction and development efforts, the officials said.

On Thursday, Kono will leave Thailand for Australia where he will hold talks with Australian Prime Minister Paul Keating and Foreign Minister Gareth Evans, and join three other Japanese cabinet ministers to attend a bilateral cabinet-level committee meeting of foreign and economic ministers.

The ministers attending the meeting in Canberra on Friday are Kono, International Trade and Industry Minister Ryutaro Hashimoto, Agriculture, Forestry and Fisheries Minister Hosei Norota, Transportation Minister Takeo Hiranuma and Economic Planning Agency Director General Isamu Miyazaki.

The Japan-Australia cabinet-level committee was set up in 1972 to discuss bilateral relations and economic affairs. The committee meetings have been held once every two years in Tokyo and Canberra alternately, with the last meeting held in Tokyo in November 1993.

Tokyo To Review GDP Growth Viability for 1995

OW2208040595 Tokyo KYODO in English
0326 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Japan will reexamine the viability of its official gross domestic product (GDP) growth target for fiscal 1995, Japan's top economic planner said Tuesday [22 August].

"We will reexamine whether the economy is able to accomplish the initially announced growth target of 2.8 percent," said Isamu Miyazaki, director general of the Economic Planning Agency (EPA).

The economist-turned-cabinet minister suggested at a news conference that prospects for the Japanese economy in the coming months depend largely on the direction of the yen-dollar exchange rate.

"A weakening yen would affect the economy favorably," he said.

"If the yen-dollar exchange rate remains in the current range between 90 yen and 100 yen without returning to the 80-90 yen range, it would provide a boost to economic recovery," he said.

He said a weaker yen would bolster the spirit of both Japanese business corporations and consumers.

However, he warned that a set of the agency's defusion indexes (DI) for June due out later in the day will demonstrate weak showings.

"(During a morning cabinet meeting) I told cabinet ministers that the DI for June will show relatively unfavorable results," he said.

"The economy is at a standstill and we have seen a string of good and bad economic indicators," Miyazaki said. "So we need to implement incessantly a series of economic measures to stimulate the economy."

"Although the yen-dollar rate has moved in a favorable direction (in recent weeks), I do not believe it is certain that it will strengthen the economy in light of the weak showings of a leading indicator," one of the three DI indexes due out in the afternoon, he said.

The economist said he is particularly concerned about the poor showings of the recently released indexes for housing spending for June and the first six months of 1995, as well as the ups and downs in industrial output figures in recent months.

Takemura: Yen-Dollar Exchange Rate in 'Reversal'

OW2208045795 Tokyo KYODO in English
0410 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Finance Minister Masayoshi Takemura restated Tuesday that the dollar-yen exchange rate is still in a process of "orderly reversal" as agreed to in April by top finance officials of the group of seven industrialized nations.

Asked whether the upper half of the 90 yen level is still away from economic fundamentals, Takemura said "it is not necessary yet to change our understanding that exchange rates are in a process of reversal."

Since the yen surged quickly in March and April, it may be inevitable that the pace of its reversal accelerates to some extent, he said.

Takemura hailed recent coordinated dollar-supporting intervention, saying that cooperation among Japan, the United States and Germany is bearing fruitful results.

At the same time, Takemura stressed the need for Japan to make further efforts in macroeconomic measures such as deregulation, fiscal actions, settling the problem of the financial system and monetary policy.

Takemura welcomed the yen's recent weakening and recovery in stock prices as favorable factors for Japan's economy.

"But, we are not in a situation with an optimistic outlook as a whole," Takemura said.

The government will compile a second supplementary budget for this fiscal year to help in economic recovery, he said.

Further on Takemura's Comments

OW2208143995 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese
0645 GMT 22 Aug 95

[Question-and-answer period of a news conference by Finance Minister Masayoshi Takemura with unidentified domestic reporters at the Finance Ministry's conference room at 0152-0219 GMT on 22 August]

[FBIS Translated Excerpt] [Passage omitted] [reporter] What is your current understanding on such matters as the reversal in foreign exchange rates?

[Takemura] It is my understanding that we are currently in a situation where bright and dark aspects intervene as indicated in the recent monthly economic report. However, I see a bright sign in that foreign exchange rates and stock prices are in a process of reversal, although we are still not in a situation with an optimistic outlook as a whole. If we look back, the [dollar-yen] exchange rate has moved from around the 80 yen level to the upper 90 yen level ever since the Group of Seven industrialized nations issued a statement in April, calling for an "orderly reversal." I would like to welcome that. It is my understanding that joint intervention, including cooperation between Japan and the United States as well as that between Japan, the United States, and Germany, is bearing fruitful results. The Finance Ministry and the U.S. Treasury Department have remained in close contact and worked toward international cooperation since April. We have painfully felt the need for coordinated efforts, including intervention, and we would like to maintain a steadfast position. Basically, Japan, for its part, needs to make further efforts in macroeconomic measures. These include deregulation and fiscal actions. We are also facing problems with the monetary system that include the issue of dealing with bad loans. I guess monetary policy, too, should be included here. We would like to watch the situation carefully amidst the trend toward a further weakening of the yen. [passage omitted]

Hashimoto: Deficit Bonds Needed for Extra Budget

OW2208040695 Tokyo KYODO in English
0310 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Japan must resort to deficit-covering bonds to finance a supplementary budget, if possible by mid-October, to help lift the economy, trade minister Ryutaro Hashimoto said Tuesday [22 August].

Repeating his recent calls for a seamless policy response to bolster the limping economy, the Ministry of International Trade and Industry (MITI) chief said, "we must resign ourselves to deficit bonds" because the second supplementary budget for this fiscal year cannot wait.

Saying a continued shift of Japanese manufacturing overseas, if not compensated by the creation of new business domestically, could drastically worsen employment conditions, Hashimoto made a pitch at a regular news conference after a morning cabinet meeting for an "economic rebuilding scenario" he is touting as both MITI minister and candidate to head the Liberal Democratic Party (LDP).

Hashimoto declared his candidacy Monday for LDP president, challenging the incumbent, Foreign Minister Yohei Kono.

Prime Minister Tomiichi Murayama and Chief Cabinet Secretary Koken Nosaka met with Hashimoto earlier Tuesday and urged him to continue working diligently as MITI minister despite the party race, Hashimoto said, adding that he vowed to do his best irrespective of the outcome of the Sept. 22 contest.

Breaking with his custom of discussing only MITI business in his news conferences after cabinet meetings, Hashimoto said he is making the rounds of LDP bigwigs to elicit their support in his race with Kono to head the dominant party in Murayama's tripartite coalition.

He said he visited Michio Watanabe, a former deputy prime minister and foreign minister, who replied that he would "think about" supporting Hashimoto after consulting with his "close friends."

Hashimoto also confirmed that the June 28 Japan-U.S. auto trade accord he reached with U.S. Trade Representative Mickey Kantor will be signed Wednesday in Washington.

Official: Economy Still 'Sick'; Relapse Possible

OW2208114895 Tokyo KYODO in English 1022 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Japan's economy remains "sick" despite the recent declines by the yen and a relapse into recession remains possible, a top official at the Ministry of International Trade and Industry (MITI) said Tuesday [22 August].

"It's as if the yen's decline has cooled the patient's fever but he has not recovered and checked out of the hospital," the MITI official told reporters on condition of anonymity.

Noting that the Economic Planning Agency reported earlier in the day that its diffusion index of current economic conditions was below the 50 percent line, indicating deterioration, for the second straight month in June, the official expressed fear it could remain below the "boom-or-bust" line for July, too.

"If the diffusion index is below 50 for three months in a row, people begin wondering whether we're in a recession," the official said.

The June index reading of 25.0 percent was "quite low," he said, adding that MITI's slumping industrial production report is a key component of the agency's index.

Industrial production was down three months in a row through June, and MITI predicts it will fall again in July before an August rebound.

The Japanese currency remains in "a process of orderly reversal" from April's postwar high of 79.75 yen to the dollar, the senior MITI official said, echoing recent Finance Ministry comments.

The dollar strengthened to half-year highs last week in the 99 yen zone and was trading in a range of 96.40-97.17 yen in Tokyo on Tuesday.

The official indicated he does not see the yen jumping back up in the next two months. Asked if the government should act immediately on emergency steps to bolster the economy, he said the schedule of compiling a second supplementary budget for the current fiscal year by October will still be timely.

To meet that deadline for submitting the budget to the Diet, work must be essentially completed in September, he said.

The supplement for the year started in April, together with the initial fiscal 1996 budget to be crafted afterward, must be "economic structural reform-style budgets to get the economy back on the recovery path," the official said.

He also distanced himself somewhat, as other MITI officials did the day before, from economic revitalization promises that MITI head Ryutaro Hashimoto made Monday in announcing his candidacy for president of the Liberal Democratic Party.

The restructuring plans he announced were those of "Mr. Ryutaro Hashimoto, not the MITI minister," the MITI official said, adding MITI will use Hashimoto's scheme "for reference" in drafting its own "economic rebuilding scenario" next month.

That scenario, which MITI officials say Hashimoto foisted upon them, strongly resembles Hashimoto's political vows, charting out one-, three- and five-year timetables for economic reform and deregulation and forecasting a drop in the current account surplus to about 1 percent of the gross domestic product.

Longest Decline in Household Spending Reported

OW1808084895 Tokyo KYODO in English 0808 GMT 18 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 18 KYODO — Household spending in Japan is suffering its longest ever period of continual decline, having extended its losing streak to three years by the first half of 1995, the Management and Coordination Agency said Friday [18 August].

The average monthly expenditure by a household with an average 3.43 family members in the first six months of 1995 came to 320,980 yen, the agency said.

It said the decline began in the second half of 1992, when household spending fell a real 0.2 percent from a year before.

The initial dip was followed by continual falls in the subsequent five consecutive half-year periods, which saw the spending sag by a real 1.0, 0.4, 1.1, 0.9 and 1.2 percent, it said.

The margin of decline in the six-month period that ended June 30 was 1.2 percent in real terms, the agency said.

It said the current continual decline compares with the previous record set during Japan's hammering by the second oil supply crisis when household spending dwindled for four consecutive half-year periods, starting in the first half of 1980,

But the 1.2 percent decline in the six months up to June 30 is the biggest fall in a half-year period for 21 years, the agency said.

The previous record was a 2.6 percent plunge in the first half 1974, when the Japanese economy took a drubbing from the first oil supply crisis following supply cuts by oil producers in the organization of petroleum exporting countries, it said.

Spending by households headed by salaried workers in the six-month period to June 30 dropped a real 1.0 percent, while that by the other households fell 1.4 percent, the agency said.

In June alone, Japanese households spent 0.6 percent less in real terms than a year before, it said, and the average expenditure for the reporting month came to 308,929 yen.

Spending by salaried workers' households fell a real 1.6 percent in the month, although that by other households saw a 2.0 percent increase in real terms, the agency said.

Takehiro Fukui, the agency's chief analyst of trends in household expenditure, linked the unprecedented period of decline to consumers tending to hold down spending on items such as clothes, entertainment and education amid the lingering effects of the bursting of Japan's asset-inflated "bubble" economy.

Fukui said that in June alone there was a 15.8 percent fall in housing-related outlays, a 9.0 percent decline in education expenditures, and an 8.3 percent fall in spending on clothing.

He cited June's unusually poor weather as dissuading people from spending actively to refurbish their homes or repair damage caused by the Jan. 17 great Hanshin earthquake.

The average income of a Japanese household — combined from the figures for regular wages, bonuses and income from part-time work — came to 804,848 yen in June, up a real 0.5 percent, the agency said.

The regular incomes of main breadwinners rose 2.9 percent in real terms, but their bonuses and irregular incomes declined a real 5.2 percent, it said.

A conspicuous development was a rise in women's earnings, with June seeing a 21.6 percent leap in real terms in the incomes of the wives of main breadwinners.

Fukui said the jump reflected the fact that many married women obtained part-time jobs to help repay housing loans for properties bought during the bubble era, when property prices rocketed.

He also blamed the sharp decline in main breadwinners' bonuses to the reduced size of refunded income taxes. A total of 5.5 trillion yen in tax was refunded in 1994 as a result of an income tax cut, while this year's cut came to just 2 trillion yen.

Last year's income tax cuts gave consumers confidence and boosted private consumption in the summer and autumn, Fukui said, but Japan may not be able to enjoy favorable effects of the same magnitude from this year's tax cuts, he added.

Former Premier Hosokawa Urges Economic Reform

OW2008081895 Tokyo KYODO in English 0812 GMT 20 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Former Prime Minister Morihiro Hosokawa said Sunday [20 August] legislation is needed to revamp Japan's economic structure into one that includes a smaller government and fewer regulations.

In an interview with KYODO NEWS SERVICE, Hosokawa said a smaller government should not be achieved at the cost of the socially disadvantaged, while criticizing Prime Minister Tomiichi Murayama's economic policy as a "cheap trick" to deal with economic problems.

"I believe it will be a great plus for achieving a nation where people, including the socially disadvantaged, can enjoy life in affluence to promote economic reforms, including deregulation," said Hosokawa, who is currently a senior member of the country's largest opposition party Shinshinto (New Frontier Party).

"It's important to see the forest for the trees," said Hosokawa, a crusader of a coalition to seek a Japanese version of the new deal, promoted by U.S. President Franklin Roosevelt in the 1930s.

"It's necessary (for such a coalition) to create an image of a reform-oriented party," he said.

Hosokawa underlined the need to have strong leadership to sell a reform program and support from the private sector in implementing reforms.

"Given the current economic situation, there will be little progress in reforms by the ruling parties nor the opposition without the framework of fairly strong support," he said.

Asked whether the creation of such a framework will lead to a shakeup in politics, Hosokawa says he does not know but noted that political moves toward reforms may be linked with various political factors.

Hosokawa did not shrug off the possibility of cooperating with the Liberal Democratic Party (LDP), the dominant party in Murayama's tripartite ruling coalition, in economic reforms.

"Should they make a proposal for economic reforms, there will be room for considering it," he said.

Hosokawa, who was once an LDP member in the House of Councillors, was prime minister of Japan between August 1993 and April 1994 as head of a non-LDP coalition that included Murayama's Social Democratic Party.

Business Leaders on Coping With Strong Yen

OW2108143895 Tokyo KYODO in English 1422 GMT 21 Aug 95

[FBIS Transcribed Text] Fujiyoshida, Japan, Aug. 21 KYODO — Members of the Japan Federation of Employers' Associations (Nikkeiren) held discussions Monday [21 August] on measures Japan should take to cope with the strong yen.

At the business organization's summer seminar held in Fujiyoshida, Yamanashi Prefecture, Nikkeiren President Jiro Nemoto, who is also president of Nippon Yusen K.K., said that unemployment in the country "is much more serious than figures suggest."

Nikkeiren Vice President Tatsuo Miyoshi, also chairman of Matsushita Electric Industrial Co., said companies should try to become immune to risks stemming from foreign exchange movements.

"It is the role of company owners to make their firms neutral to foreign exchange fluctuations by taking such measures as increasing overseas procurement," he said.

Keizo Yamaji, adviser to Canon Inc., said Japanese companies should "establish production bases in Japan, Europe and the United States and maintain the trade balance."

Most of the organization's members agreed that the dollar's rise against the yen is a temporary phenomenon and that Japan should take advantage of it to restructure its industry.

Tokyo To Release Bad-Loan Disposal Package

OW2208061195 Tokyo KYODO in English 0448 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — The Japanese Government will announce a set of basic measures at the end of September for the disposal of bad loans held by financial institutions, including ailing housing loan firms, Finance Minister Masayoshi Takemura said Tuesday [22 August].

Takemura made the remark at a press conference after a regular cabinet meeting, noting the Financial System Research Council, an advisory body to the finance minister, is expected to put together an interim report on the issue later in September.

Although the ministry already announced a set of basic guidelines early in June to dispose of nonperforming loans in five years, it is necessary for the government to show specific disposal measures at an early date, Takemura said.

On the problem of housing loan firms, however, Takemura sounded cautious about presenting detailed disposal measures soon.

Takemura stressed the need for further public discussions, including Diet deliberations.

The basic bad-loan disposal measures will not exclude the problem of housing loan firms but they will only show the way ahead, Takemura said.

Regarding reported memorandum exchanges between the finance and agriculture ministries on the reconstruction of housing lenders, Takemura said, "they are not problematic...(they) would not be troublesome even if made open."

The memos were exchanged when the ministry put together the basic ideas for the reconstruction of housing loan firms in cooperation with the Agriculture, Forestry and Fisheries Ministry, Takemura said.

Agriculture-related financial institutions had extended 5.5 trillion yen in loans to housing loan companies as of March, more than 40 percent of the total lending by Japanese lenders to such companies.

Takemura said the two ministries will consult with each other on how to respond to a request by the ruling coalition's project team to present these memos.

On an annual report released Monday by the International Monetary Fund (IMF), Takemura said the IMF's points about Japan's bad loan problem are generally reasonable.

In the international capital markets report, the IMF urged Japan to take more decisive action on the problem, particularly regarding smaller banks and housing loan firms.

In a separate press conference, Agriculture, Forestry and Fisheries Minister Hosei Norota showed a positive stance toward making public controversial memos on the reconstruction of the firms.

"I want to take appropriate action in due time after consulting with parties concerned," Norota said.

Norota said: "Although such memos should not be made public by nature, I agree with the assertion that making them public is important to settle the problem."

Norota reiterated his insistence that founding banks of the housing loan companies should take primary responsibility for the problem of such firms.

It is a fact that founding banks guaranteed the Finance Ministry that they will take responsibility in financial reconstruction of the housing loan firms, Norota said.

The agricultural ministry and farm-related financial institutions have persisted in the banks' responsibility on grounds of such a guarantee, he said.

DA To Request 450 Million Yen for Budget

OW2108141295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Aug 95 Morning Edition p 2

[FBIS Translated Text] The Defense Agency [DA] has decided to request a total of 450 million yen in its budgetary request for fiscal years 1996 and 1997 to fund a research study that will examine the feasibility of the Theater Missile Defense (TMD) concept, which the U.S. Department of Defense [DOD] has asked Japan to develop jointly with it. Through this research, the DA plans to study the technical capability of shooting down ballistic missiles and to confirm the effective use of the budget, from Japan's standpoint, based on DOD-provided data on the ballistic missiles developed by various nations in Japan's vicinity. The DA plans to work out a report by the second half of FY97 and then make its final decision on whether or not to participate in the joint development project.

According to the TMD concept, a system will be set up to detect ballistic missiles invading the territorial sky through such devices as reconnaissance satellites, and interceptor missiles will shoot them down. The U.S. Government has been asking Japan and the European nations to join in the TMD's development, with the aim of operationally deploying it by 2005. At present, the Japanese Government has not decided whether or not to join. However, to collect project-related information so as to make a political decision on the joint development, the DA has appropriated 20 million yen in its FY95 budget.

The DA plans to conduct a simulation study for a period of two years beginning in FY96. According to this plan, all data provided by the DOD on ballistic missiles developed by Japan's neighboring nations, such as the DPRK and PRC, will be stored into computers first, and then used to calculate the number and capability of interceptor missiles that will have to be deployed to shoot them down based on various factors such as the extension of the area to be defended and the acceptable error rate.

Official Urges Maintaining Defense Capability

OW2208063795 Tokyo KYODO in English 0508 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Japan should maintain its basic defense capability despite growing calls for cutbacks in the post-Cold War period, a senior Defense Agency official said Tuesday [22 August].

Masahiro Akiyama, head of the agency's Defense Policy Bureau, said, "Japan's defense does not assume specific threats, while it is unavoidable for Western nations to cut back sharply on defense as they built up their capabilities calculating concrete threats (which have diminished with the end of the Cold War)."

Akiyama made the remarks at a meeting of the country's supreme defense policy board, the Security Council of Japan, to discuss a planned review of Japan's basic defense policy, laid out in 1976 and called the National Defense Program Outline, officials said.

Rather than aiming at directly countering a military threat to Japan, the outline is based on the "concept of basic defense capability," which means maintaining the minimum necessary military force with which Japan can avoid allowing a power vacuum to occur, which might create instability in the region.

Gen. Tetsuya Nishimoto, who chairs the Joint Staff Council of the Self-Defense Forces (SDF), said that China possesses a considerable number of medium-range missiles with nuclear warheads.

He said Chinese missile technology is lower than U.S. or Russian levels, but is on a par with British or French technology.

The meeting was also attended by Prime Minister Tomiichi Murayama, Finance Minister Masayoshi Takemura, Defense Agency Director General Seishiro Eto, Economic Planning Agency Director General Isamu Miyazaki and Chief Cabinet Secretary Koken Nosaka.

The Tuesday council meeting was the second on review of defense policy, following a first session June 9.

In the next meeting scheduled for Aug. 29, the Defense Agency plans to present the main points of the policy review and outline its budget requests for the next fiscal year starting in April 1996.

Defense Agency To Open Intelligence Headquarters

OW2208114395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Aug 95 Morning Edition p 2

[FBIS Translated Text] The Defense Agency has decided to organize an "intelligence headquarters" in

FY96, with some 1,600 full-time staff members, by merging the intelligence and analytical departments and divisions scattered among the agency and the Ground, Maritime, and Air Self-Defense Forces [GSDF, MSDF, and ASDF]. In view of expanding the operational areas of the Self Defense Forces [SDF] through participation in UN peacekeeping operations, Japan is going to globalize coverage of its information gathering operations, which is presently focused only on Northeast Asia. As a tangible measure, the Defense Agency intends to reinforce information gathering in such distant regions as Africa and the Middle East. On the other hand, the agency has given up on an FY96 plan for internal reorganization to strengthen its command over the SDF.

The intelligence headquarters, to be founded in FY96, will be organized through a merger of the agency's 1st and 2d Defense Intelligence Divisions and the 1st and 2d Intelligence Departments provided for under each of the Ground, Maritime, and Air Staff Offices. The integration of existing intelligence sections will improve the efficiency of Japan's intelligence gathering and analytical operations and will allow the GSDF, MSDF, ASDF, and the Defense Agency to share gathered information. The intelligence headquarters will be placed under the direct control of the Joint Staff Council, and a uniformed officer will serve as chairman of the headquarters. The main office of the new organization will be located on the SDF's Ichigaya Base, where the new Defense Agency building will be located.

The intelligence headquarters is expected to be organized into such sections as analysis, graphic analysis, radio wave analysis, planning, and general affairs departments. Each analytical departments will be divided into several divisions according to regional coverage, such as Russia, China, Korea, and Southeast Asia. In preparation for the SDF's future UN operations, the headquarters will reinforce the collection of information on Africa, the Middle East, and other distant regions. This will become a full-fledged defense intelligence agency, with a 1,600 member full-time staff.

On the other hand, internal reorganization of the Defense Agency in FY96 was postponed as senior agency officials failed to agree on reorganization plans.

When the agency began discussing the reorganization plan last year, with the aim of reinforcing its policy-making and command capability, a likely plan was to divide the Defense Policy Bureau into three bureaus of "defense policy," "operation," and "planning." This was because the Defense Policy Bureau currently has too many authorities over broad fields that cover such issues as the drafting of long-term and midterm national defense policy to the dairy operations of the SDF. However, strong opposition arouse among some agency officials on a plan to create the "planning bureau" by merging the Defense Policy Bureau Planning Division, the Finance Bureau's Finance Division, and the Equipment Bureau. A senior official noted that the "planning bureau" proposal would create "a new centralized power to exclusively control defense programs." Opting for further discussion, the agency decided not to incorporate reorganization expenditures in their FY96 budget proposal.

Kono-Hashimoto 'Head-On Crash' Begins 21 Aug

OW2108141095 Tokyo KYODO in English
1230 GMT 21 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 21 KYODO — A head-on crash between Yohei Kono and Ryutaro Hashimoto for the Sep. 22 Liberal Democratic Party presidential poll started Monday [21 August] as both the incumbent LDP president Kono and his rival Hashimoto expressed their intention for the party presidency.

A winner in the party leadership election of the largest component of the three-party coalition could be the next prime minister, political analysts say.

"Although I'm busy dealing with diplomatic issues right now, I told them I would like to express (formally) my intention to continue my job as president of the LDP," Kono told reporters when asked about his remarks at a meeting of LDP executives.

Kono, who is foreign minister, said he plans to publicly proclaim his bid for reelection after he returns Saturday from a five-day trip to Thailand, Cambodia and Australia.

Kono's revelation of his intention to seek a second two-year term as LDP president came several hours after Hashimoto's announcement of his candidacy at a press conference at the party headquarters.

The development set off intra-party campaigns by the two top LDP lawmakers for the party presidential election, which is expected to become a man-to-man battle between them.

In announcing his candidacy for LDP presidency at the press conference, Hashimoto, who is the international trade and industry minister, presented a set of proposals, including his determination to seek a government under LDP premiership.

"It must not be forgotten that our party should be at the center and have responsibility," Hashimoto told the press conference.

But Hashimoto went on to say that he will do his "best as a member of the cabinet of Prime Minister (Tomiichi) Murayama" regardless of the result of the LDP presidential race.

Among his policy proposals, Hashimoto pledged to seek a recovery of confidence in the economy as well as in politics and foreign policy, and in crisis management and maintenance of public safety.

Hashimoto also said he would attain a "renaissance of the LDP" to make the party worthy of the people's trust.

To that end, he proposed a more flexible party organization, clean politics, and complete eradication of maneuvering by factions.

Hashimoto's policy proposals also included a call for achieving stable economic growth in the next century without a large trade surplus or concern for unemployment.

He also advocated a more independent diplomacy, better crisis management, fundamental administrative reforms, a society where elderly citizens feel happy and an education system which helps students achieve their full potential as well as the pursuit of eternal world peace.

The LDP will accept candidates for the presidential race Sept. 10 and will takes the votes of its 310 Diet members Sept. 22 and those of some 1.7 million ordinary party members and supporters through the mail.

LDP Rebels Launch Hashimoto Support Group

OW2208151195 Tokyo KYODO in English
1401 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Sixty-nine lawmakers of the Liberal Democratic Party (LDP) launched an ad hoc group Tuesday [22 August] evening to support International Trade and Industry Minister Ryutaro Hashimoto's bid for the LDP presidency.

The LDP lawmakers met at a Tokyo hotel to endorse Hashimoto, 58, as a candidate for the Sept. 22 LDP presidential race in which incumbent president Yohei Kono is seeking a second two-year term, party officials said.

Of the 69 Hashimoto supporters, 52 attended the session and 17 sent their aides, the officials said.

Led by House of Representatives lawmaker Shunpei Tsukahara, the rebel group believes Hashimoto is ahead of Foreign Minister Kono, also 58, in the preelection standings, group sources said.

Tsukahara and senior group members later met Hashimoto to convey the group's support for his candidacy.

Many of the group's members are young Turks who are openly dissatisfied with the current LDP leadership of Kono and Secretary General Hiroshi Mitsuzuka.

Hashimoto also met senior LDP politicians, including Michio Watanabe, Toshio Komoto, Masaharu Gotoda, Keizo Obuchi and Kabun Muto, aides said.

Kono plans to officially announce his reelection bid Sept. 29.

Watanabe lauded Hashimoto's policy proposals released Monday, saying he shares many of the ideas included in the proposals, party officials said.

Watanabe criticized Kono for poorly managing party affairs, pointing to the LDP's setback in July's House of Councillors election, the officials said.

Hashimoto assured Prime Minister Tomiichi Murayama, who is also chairman of the Social Democratic Party (SDP), that he has no plan to abandon the current ruling coalition with the SDP and New Party Sakigake [Harbinger], headed by Finance Minister Masayoshi Takemura, they said.

Watanabe Backs Hashimoto in Party Head Bid

OW2208071895 Tokyo KYODO in English
0557 GMT 22 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Liberal Democratic Party (LDP) kingpin Michio Watanabe threw his support Tuesday [22 August] behind International Trade and Industry Minister Ryutaro Hashimoto's bid for the party presidency.

Hashimoto, who announced his candidacy Monday for the Sept. 22 election for party president, visited Watanabe to seek his support.

Watanabe lauded Hashimoto's policy proposals published Monday, saying he shares many of the ideas included in the proposals, party officials said.

Watanabe criticized LDP president Yohei Kono, Hashimoto's rival in the race, for management of party affairs, pointing to the LDP's poor showing in July's House of Councillors election, the officials said.

"The LDP could not show its true face in the upper house poll. My opinions have not been reflected in the party management," Watanabe reportedly told Hashimoto.

Hashimoto plans to meet other influential party members later Tuesday, including Toshio Komoto, former head of the LDP's policy-making panel, and Keizo Obuchi, party vice president.

Kono, who also serves as foreign minister, told LDP executives Monday that he plans to run for a second term as party head.

Before leaving Japan on Tuesday morning on a trip to Thailand, Cambodia and Australia, Kono only said the presidential election has not started yet.

Diet Resolution Eases Right-Left 'Confrontation'

OW2208092595 Tokyo MAINICHI SHIMBUN in Japanese 16 Aug 95 Morning Edition p 3

[Article by Takashi Inoguchi, vice president of United Nations University: "Leadership Needed In Declaring Policy of Renouncing War for Peace"]

[FBIS Translated Text] Although "Resolution To Renew Resolve for Peace Based on the Lessons of History" [adopted by the Diet in June] has a bad reputation, it expresses clearly and concisely the majority view in Japan. For this reason, the resolution deserves attention, and Japan should take advantage of it in taking further initiative to promote world peace. First, memorial addresses were made by several leaders at the ceremony for the war dead and war victims held on 15 August, and colonialism and aggression in modern world history were deplored by all. Then, deep remorse was expressed for what Japan did, particularly for the pain Japan caused to people in Asia. Finally, a resolve to renounce war and seek peace was expressed. I think the prime minister's statement [following the memorial addresses] will serve as a step toward constructively linking Japanese people's feelings to a future proposal for peace.

For many Japanese, the war in Asia was different from the war with European nations and the United States. It is said that the war in Asia occurred as a result of self-protection against the colonial policies of European nations and the United States and that overcoming the economic blockade by the great Powers was one element of the war. As for the war with Europe and the United States, I think Japan recognizes its guilt and at the same time recognizes that the war in Asia provided an occasion to shift away from the European- and U.S-dominated world.

While accepting an order created by the Allied nations led by the United States after 1945, the Japanese view on World War II was divided into two choruses: one the right-wingers' quiet call for regaining the national spirit, and the other the left-wingers' loud call for renouncing war and seeking peace. Both views are still shared by many Japanese. Since the right-wingers stayed in power for a long time, they were strictly bound by "peace with the United States," and they had no choice but to express their nationalistic views in a whisper or in inappropriate speech that actually reflected their true intentions. As for the right-wingers, who long remained in the opposition camp, they continued their loud but flat chorus.

As reflected in the Diet resolution, the right- and left-wingers were merged into one under the coalition government formed by the Liberal Democratic Party, the Social Democratic Party of Japan, and Sakigake [Harbinger]. The Diet resolution not only helps ease the confrontation between the right and the left of the past 50 years but also plays a role in preventing further confrontation. I hope, based on his statement made on 15 August, that the prime minister will seize the opportunity to deliver bravely a speech renouncing war for the 21st Century, with Japan's contributions to the United Nations in mind, including a proposed registration system for arms sales and purchases and a firm stand against nuclear testing. I also hope that such an address by the prime minister will lead to Japan's taking the initiative in announcing a worldwide no-war declaration.

Japan is totally preoccupied with domestic issues such as the economic recession, earthquakes, and terrorist outrages. However, economic circles are steadily adapting themselves to the current situation, while political circles are in the midst of change. There are signs of change even within official circles. It is important for Japan, which is coming to know exactly what a war-renouncing policy should be, to go on to propose, in a forward-looking and positive manner, the human tasks to be accomplished by taking advantage of the fluctuating situation.

MOC Wants Bidders To Meet ISO Provisions

OW1808114195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Aug 95 Morning Edition p 1

[FBIS Translated Text] The Ministry of Construction [MOC] plans to require companies bidding in public works projects to pass screenings for quality control standards set by the International Standardization Organization (ISO). The MOC will test-conduct ISO-standards-applied public works projects and make the requirement a condition for participation in biddings beginning in 1996. The MOC wants to heighten awareness of the transparency of the Japanese bidding system, which is harshly criticized internationally, and thus to help it contribute to the opening up of the Japanese market as well as to improve the quality of construction work by applying internationally-trusted quality specifications.

Insomuch as Hong Kong and some Asian states are also considering adopting the system, the MOC wants to adopt a system whereby Asian nations can accept international quality standards from each other. The ministry wants to use this to create circumstances that would help Japanese construction firms bite into the fast-growing Asian construction market.

What the MOC wants is for the construction industry to use the so-called "ISO 9000" standards system — developed by the ISO in 1987 — in carrying out public works projects. This is a system which uses third-party assessment agencies to screen and assess if construction companies' quality control functions are in order in all related areas like designing, production and shipment. The companies which pass the screening and win certification will be recognized as companies whose product quality control system is at an international level.

In Japan, efforts to win such qualifications are active in the electronic device industry. Among construction companies, a semi-major general construction company — Toda Construction — has applied for screening to the Construction Material Test Center, which is one of registered screening agencies. Shimizu Construction Company and the Hazama Corporation are getting ready to file their own applications.

The MOC plans to formulate a new guideline on specific conditions to receive certification on construction companies' qualifications by October, and then will urge all construction companies to pass the ISO standards. Next year, the ministry will conduct test runs in applying the system to ministry-controlled projects to determine if the quality control procedures are observed as specified in the ISO specifications.

Kobe, PRC To Produce Tire-Making Machinery

*OW2108074595 Tokyo KYODO in English
0618 GMT 21 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 21 KYODO — Kobe Steel Ltd. said Monday [21 August] it will produce and market tire curing presses in China in partnership with a major Chinese rubber machinery maker, the first project of its kind in the country.

The major Japanese steelmaker based in Kobe, western Japan, said production is scheduled to begin in October this year using the existing facilities of the Chinese partner, Yiyang Rubber Machinery Co.

The new company, Yiyang Yi Shen Rubber Machinery Co., to be capitalized at 20 million yuan (200 million yen), will be 65 percent owned by Yiyang Rubber Machinery and 35 percent by the Kobe Steel Group, the company said.

Yiyang Rubber Machinery, based in Yiyang, Hunan Province, is China's No. 2 maker of tire curing presses. The company, capitalized at 48 million yuan (480 million yen), had sales of 100 million yuan (1 billion yen) in fiscal 1994.

The joint venture will produce and market mechanical and hydraulic tire curing presses based on Kobe Steel's design and production technology, the company said.

The new company has set 4 million yuan (40 million yen) as its initial year sales target, which will be increased to 30 million yuan (300 million yen) in 1996, the company said.

The two partners hope that the new venture will supply tire curing presses to Japanese tire makers operating in Thailand, Indonesia, Malaysia and other Asian countries in the future, it said.

The company said China's automobile production is expected to reach six million by 2010, up from 1.3 million in 1993, boosting demand for tire curing presses to 1,600 units by 2000.

China imposes a ban on imports of tire curing presses in line with its policy of fostering the domestic industry, the company said.

Microsoft 'Flooded' by Applications for Windows 95

*OW2108120095 Tokyo KYODO in English
1126 GMT 21 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 21 KYODO — The Japan office of U.S. computer software maker Microsoft Corp. was flooded Monday [21 August] with applications for the Japanese version of its new operating software Windows 95, company officials said.

The company began accepting applications Monday for the final test version of the Japanese language software, which is due to go on sale in Japan from late November to early December this year.

Officials said the company plans to distribute the final test version to 10,000 customers for 4,000 yen each on a first-come, first-served basis.

"We didn't expect to receive such a big number of applications. The deadline for applications is Sept. 1, but the number of applications is likely to top 10,000 in the first few days," said a spokesman for the company.

The new operating software will enable users to easily access the company's new Microsoft Network computer network.

The U.S. Justice Department has launched an investigation into the possibility that the release of the new system may constitute an anticompetitive practice and affect the nation's on-line industry.

Semiconductor Firm Plants To Expand Production

OW1708123595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Aug 95 Morning Edition p 13

[FBIS Translated Text] Tokyo Electron Ltd. is to build additional production capacity and office space to expand production at its semiconductor manufacturing equipment outlets in Tohoku, Yamanashi and Kyushu. The company has decided that semiconductor manufacturers are prepared to make bigger than expected capital investments, and that it will have no choice but to delay deliveries if the current trend of increasing demand for plant and equipment continues.

As a result, the company's 1995 fixed capital investment is expected to rise to about 20 billion yen, about 6 billion yen more than initially planned. Such aggressive investment by the nation's largest semiconductor equipment manufacturer is likely to prompt other semiconductor equipment companies to increase their investment.

Tokyo Electron's major subsidiary — Tokyo Electron Yamanashi (in Nirazaki City, Yamanashi Prefecture) — is to construct a 10,000 square-meter plant in its Yamanashi complex, and the plant will be used to increase overall production of etching equipment, its main product line. The project will cost up to 3.2 billion yen. Construction will start in late September, with a target completion date of April 1996.

Once the plant is complete, the production of etching equipment that is currently done at Tokyo Electron's parent company plant (in Nirazaki City) will be moved to the new plant. It will have the capacity to produce 130 sets of etching machines or 30 percent more than the existing plant can produce. The space made available at the parent company's plant will be used to increase production of probers — equipment to inspect wafers — and the metal organic chemical vapor deposition (CVD) devices used in making thin films.

Meanwhile, at another subsidiary — Tokyo Electron Tohoku (in Esashi City, Iwate Prefecture), which mostly produces oxidation diffusion thermal treatment equipment — construction of a new 7,200-square-meter plant is now underway at a cost of 2.5 billion yen. Production capacity will grow by 60 percent from the current 70 a month to 110 a month by January 1996, when the plant is completed.

In addition, Tokyo Electron Kyushu (in Tosu City, Saga Prefecture), will expand production of liquid crystal display production equipment at its Kumamoto complex (at Kikuyo-cho in Kumamoto). Sales and service functions at the Kumamoto complex will be integrated into those of the Ozu complex (at Ozu-cho, Kumamoto Prefecture) after a sales and service center is constructed at the Ozu complex. This will require an investment of 550 million yen and the project will be completed by the end of September.

Ministry Hopes To Cut Imports With New Potato

OW1808091495 Tokyo KYODO in English 0824 GMT 18 Aug 95

[FBIS Transcribed Text] Sapporo, Aug. 18 KYODO — The farm ministry has developed a new potato with fewer sprouts and an easier to peel skin that it expects will increase the demand for domestically grown potatoes, the ministry's experimental station in Sapporo said Friday [18 August].

The "Hokkaido 74" has only one-third of the sprouts, or "eyes," of the "danshaku," which is Japan's most widely used potato, and is easier to peel because the eyes are not as deep.

In 1993, some 500,000 tons of potatoes were imported, equal to about half the total of domestically grown potatoes used in Japan.

Most of the imported potatoes are peeled, sliced and frozen before being shipped, reportedly resulting in some loss of flavor but reducing processing costs in Japan to virtually nil.

But Yoshiki Umemura, head of the Sapporo development team, said the new potato can meet the challenge of imported competitors.

"With No. 74, processing costs can be held to a minimum and this will allow it to compete ably with foreign-grown potatoes," Umemura said .

Researchers believe the Hokkaido 74 will increase the share of domestically grown potatoes used at restaurants to make potato salad and potato chips.

Also among the advantages of the new potato are that it does not turn dark after being peeled, it is larger and heavier than other potatoes, and it does not fall apart when being boiled, according to its developers.

Ministry To Foster Biotech-Related Industries

OW2108115295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Aug 95 Evening Edition p 1

[FBIS Translated Text] The Ministry of Agriculture, Forestry and Fisheries [MAFF] will start a project in FY96 to foster new biotechnology industries such as the development of new material extracted from insects. While fear of diminished industrial power prevails in Japan as domestic companies transferring their production centers abroad, the MAFF's decision comes in response to increasing interests in biotechnology — a field of science concerned with the functions of various living organisms and application of those functions to the biological and medical sciences — as new technology that could help developing nation's promising industries in the future. The MAFF will include funds for biotechnology research and development in its FY96 budget request.

Among research subjects included in the MAFF's project are food containing a cancer-fighting mushroom, artificial skin synthesized by materials extracted from insects, microbe-based air purifiers, and new fuels made from plant resin. The ministry plans to disburse 2-3 billion yen to the Bio-Oriented Technology Research Advancement Institution, a special corporation under its auspices, for collaborative research and development with national research facilities and universities.

The studies are expected to last three to six years. When tangible research results that could possibly promise the start of new industries are achieved, the Bio-Oriented Institute and other national research institutes will apply for patents, and then, the MAFF will promote new businesses relating to these new technologies.

High hopes are placed on biotechnology as a new technology that could solve the further deteriorating environmental conditions and food shortages. Japan's market for biotechnology-related products, mostly connected to food and medicine, has already topped 800 billion yen and is expected to reach 3 trillion yen in 2000. With the know-how it obtained in plant breeding, the MAFF decided to start basic biotechnology studies to foster new domestic industries.

North Korea

Daily Criticizes U.S.-South Munitions Pact

SK2208044295 Pyongyang KCNA in English 0425 GMT 22 Aug 95

["Warmaniac Hell Bent on Arms Buildup" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — A "Munitions-related Agreement" was recently signed between the South Korean puppet Defence Ministry and the command of the U.S. Forces present in South Korea.

Commenting on this, NODONG SINMUN today says under the agreement the Kim Yong-sam group will take over hundreds of tanks, tens of thousands of tons of ammunition and other huge military hardware shipped by the U.S. Forces to South Korea in a bid to invade the DPRK, going against the desire of the people for peaceful reunification, and this shows that their war hysterics has reached the extreme.

The analyst further says:

It must not go unnoticed that it is stipulated in the agreement that the puppet army shall be responsible for the management of ammunition storehouses of the aggression forces in return for the delivery of war materiel.

The South Korean puppets have squandered taxes collected from the people to allow U.S. warmongers to make excessive profits. And they promised to be a sentry for powder keg of the aggression forces in return for the delivery of lethal weapons from them, which will be used to do harm to the fellow countrymen. Such folly is an unpardonable anti-national bellicose act that can be done only by such sordid warmaniacs as the Kim Yong-sam group.

The crafty U.S. imperialists are trying to fish in troubled waters by supplying mass destruction weapons to the South Korean puppet army, their cannon fodder and encouraging them to provoke a war against North Korea. The Kim Yong-sam group is engaged in war preparations against North Korea, taking advantage of the reckless new war provocation manoeuvrings of its master. Their moves fully revealed again their bellicose nature before the very eyes of the world.

The Korean people and the People's Army are heightening their vigilance against the wildcat moves of the Kim Yong-sam group which is engaging itself in arms buildup against the North in league with foreign forces.

South Students Urged To Unite With Hanchongnyon

SK2108050095 Pyongyang Radio Pyongyang in Korean to South Korea in Korean 0900 GMT 20 Aug 95

[Unattributed talk: "United, We Win; Divided, We Lose" from the program "The Hour for South Korean Youths and Students"]

[FBIS Translated Text] Today, an acute struggle between the patriotic and treacherous, pro-reunification and divisionist forces are underway in South Korea. The reality in South Korea desperately calls a million South Korean youths and students, who are the vanguards of reunification and standard-bearers of struggle, to more firmly unite in one heart and one will to smash the division maneuvers of the antireunification elements.

The great leader [yongdoja] Comrade Kim Chong-il indicated: Youths are the standard-bearers of the fatherland's reunification. Brave and strong youths must rise to abolish the dividing barriers and push forward the historic cause for the fatherland's reunification. As taught by the great leader Comrade Kim Chong-il, brave and strong youths must unite in one and rise to abolish the dividing barriers and expedite the historic cause for the fatherland reunification.

Our nation has suffered from the pain of national division for half a century. Our nation had lived as one nation and one blood on one land, generation after generation, but, today, it is divided in two. This is an intolerable humiliation and tragedy. Our youths and students in the North and South should as soon as possible end the pain and tragedy of division the nation is suffering. They have to unite to achieve this.

First, the million South Korean youths and students should firmly unite in one. Scattered struggles are meaningless and bound to fail. United, we win; divided, we lose. This is a lofty truth proven by the South Korean people's history of struggle. Only a struggle under the united guidance of an organization and attended by a broad spectrum of people can bring about an excellent result. In the past, the South Korean youths and students already vigorously waged the struggle to establish their struggle organizations, lifting the slogans "United, we stand; divided, we fall," and "Let us form a struggle organization."

The South Korean youths and students established the National Council of University Student Representatives [Chondaehyop] as their struggle organization, and unsparingly displayed its invincibility. In early nineties, when the struggle for the fatherland reunification was further augmented, they disbanded Chondaehyop for further development and established a stronger Korean Federation of General Student Councils [Hanchongnyon]. The South Korean youths and students unsparingly demonstrated their grand appearance as the standard-bearers of the struggle through demonstrations, rallies, and sit-ins led by Hanchongnyon's unified guidance. The struggle for the fatherland reunification waged by the South Korean youths and students on the occasion of the 15 August Liberation Day showed to the people at home and abroad the strength of the youths and students firmly united around Hanchongnyon.

The Kim Yong-sam puppet clique drove the fascist police to brutally oppress the South Korean youths and students, but they firmly united with the people of all walks of life and pushed ahead with the grand national reunification festival. They vigorously demonstrated the South Korean people's determination in reunification and made the antireunification and divisionist forces shiver. The Kim Yong-sam fascist clique arrested key members of Hanchongnyon and is running amok to obliterate the organization, but the South Korean youths and students are bravely fighting without flinching a bit.

The firm will of the million youths and students, who want to unite as one around Hanchongnyon that is won by struggle, passion, and love, and the unflinching faith in defending the organization with life against the obliteration maneuver of the antireunification elements, stem from their deep understanding of the value of the organization in a struggle. The South Korean youths and students, whether in Seoul, Kwangju, or Pusan, are more firmly uniting around Hanchongnyon for the fatherland's reunification. Furthermore, to achieve the great national unity under the banner of reunification, the South Korean youths and students have deeply penetrated into the workers, peasants, and popular masses of all strata to teach them the truth of unity and vigorously wage the solidarity struggle and joint struggle.

The enthusiasm of South Korean youths and students in the struggle for reunification is very high. Their enthusiasm is further augmented in the youths' and students' struggle to push forward the fatherland reunification by upholding the 10-point program of the great unity of the whole nation for the reunification of the country promulgated by the great leader Comrade Kim Il-song, and by firmly uniting under the banner of the program. No one can stop the future of the South Korean youths, students, and people, who want to firmly unite around Hanchongnyon and reunify the fatherland with the strength of the great national unity. Lifting the banner of the 10-point program of the great unity of the whole nation for the reunification of the country, the million youths and students in South Korea will more vigorously fight on to achieve reunification in the nineties without fail.

Daily on South's 'Suppression' of Students

SK2208051795 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 21 Aug 95

[NODONG SINMUN 21 August commentary: "The True Color of the Antireunification Group Has Been Revealed"]

[FBIS Translated Text] The Kim Yong-sam fascist clique has thoroughly revealed its true color as an antireunification group once again by suppressing with bayonets the struggle of the South Korean students and people for national unity and reunification on the occasion of the country's liberation anniversary.

The Kim Yong-sam ring perpetrated another suppressive maneuver by mobilizing a large number of police troops to frustrate the grand student festival and the reunification song show, which were held at Hanyang University on 13 August as part of the national joint event on the country's liberation anniversary,

On 14 August, the Kim Yong-sam ring frustrated with suppressive police troops the national joint event which was supposed to be held at the Seoul National University. On 15 August, the Kim Yong-sam ring deployed as many as 17,000 troops from 148 companies in various locations in Seoul to block the struggle of the students and the people.

The fascist clique deployed the troops intensively around Porame Park in Seoul and the Seoul National University, the sites for the event, and the Hanyang University where the grand reunification festival was being held by the Korean Federation of University Student Councils [Hanchongnyon], and committed an act of fascist suppression arresting and whisking away the demonstrating students.

In particular, when some 20,000 students from Hanchongnyon tried to venture to Panmunjom to participate in the grand national reunification festival scheduled in Panmunjom on the country's liberation anniversary, the Kim Yong-sam ring mobilized police troops consisting of 25 companies, and blocking their way, they ran wild in suppression, firing tear-gas canisters.

On the evening of 15 August, the Kim Yong-sam ring dispatched suppressive police troops to the sites of the students' meetings to suppress them ruthlessly.

These suppression brutality is an antireunification crime running counter to the yearning and aspiration of the people who long for the country's reunification feeling as if one day were years.

The true color of the Kim Yong-sam fascist clique—which is the most viscous national traitor and the enemy for reunification which does not want national reconciliation or unity or reunification but seeks a way to survival from antireunification confrontation and war provocation maneuvers—has been thoroughly exposed to the eyes of the world.

The struggle of the South Korean students and people to hold the national joint event on the country's liberation anniversary is a very righteous and just one and can never be an object of suppression. What the South Korean students and people wish today, after 50 years of national division, is to bring an end to the tragedy of division and achieve national reconciliation, great unity, and reunification.

The various events of the reunification festival which were held in South Korea around the country's liberation anniversary were the manifestation of the South Korean people's ardent desire and volition for reunification which received support from the entire nation. Nevertheless, the Kim Yong-sam ring trampled upon it with bayonets. This was the traitors' suppression against patriots, an intolerable fascist evil act.

Looking back, we note that the Kim Yong-sam ring employed all sorts of vicious maneuvers to block the grand reunification festival. When we put forward a proposal for the grand national reunification festival participated in by the North, the South, and overseas on the 50th anniversary of the country's liberation, the puppets took a negative attitude, describing it as a strategy for reunification by communization and as an operation for an internal disturbance.

That the fascist clique officially announced that it would not allow the South Korean people to participate in the grand reunification festival, blocked their advance to the site of the festival, and suppressed the South Korean students and patriotic people holding the national joint event on the country's liberation anniversary starts from the criminal scheme to hamper national reconciliation, unity, and reunification.

The South Korean students and people came to be aware clearly once again, through the Kim Yong-sam ring's suppression brutality, that so long as the Kim Yong-sam ring stays in power, we cannot achieve national reconciliation, unity, or reunification.

The Kim Yong-sam ring tries frantically to find a way out of their destruction in bestial suppression on the democratic force struggling for reunification, but this is a futile attempt. The South Korean people have already branded the Kim Yong-sam ring for quite some time now as the enemy of reunification, a ring of national treachery, and the first object of overthrowing.

The South Korean students and people will never tolerate the Kim Yong-sam antireunification group which tries to crush their volition for reunification and patriotism. The Kim Yong-sam fascist clique should immediately stop the suppression with bayonets against the patriotic reunification force not to be burnt to death in the blaze of the struggle of the angry students and people.

Daily Calls South Police 'Fascist'

*SK2208044695 Pyongyang KCNA in English
0432 GMT 22 Aug 95*

["Fascist Police Trained To Be Wilder" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The puppet director of the National Police office of South Korea, in the so-called "words of encouragement" to the policemen who committed indiscriminate violence against the youth and students and people who took part in the August 15 events common to the nation and the third people's rally for prosecution of the murderers of the May 18 massacre which were held in Seoul, lauded them, talking about "resourceful action" or "successful fulfilment of duties". Commenting on this, a NODONG SINMUN analyst today says:

The fascist police's suppression of the righteous struggle of the youth and students and people was very indiscriminate and bestial. They fired teargas canisters rendering a student blind and tens of journalists, inhabitants and students injured.

But those who committed such beastial acts, far from making an apology, are trying to justify their heinous suppression of the people, vociferating about "resourceful action" and the like. Not content with this, they extolled the murderous gangsters to the skies. How can this be tolerated?

What is more disgusting is that the fascist clique instigated hunting dogs to "positively cope with" the struggle of the pro- reunification democratic forces in the future, too. It is clear to anyone that this is motivated by the criminal attempt to more ruthlessly crack down on the patriotic forces aspiring after independence, democracy and reunification by training the fascist policemen to be wilder. But the sword-brandish is not an act of the strong but a last-ditch effort of the weak who are doomed to ruin.

If the Kim Yong-sam group do not want to follow in the disgraceful footsteps of the preceding dictators who died before their time while brandishing swords against the people, they must give up the suppression of the proreunification democratic forces at once and step down without delay as unanimously demanded by the people.

Talk on Japan's 'Deep-Rooted Nuclear Ambitions'

*SK2208035195 Pyongyang Korean Central Broadcasting Network in Korean
0755 GMT 21 Aug 95*

[Unattributed talk: "Deep-Rooted Japanese Nuclear Armament Maneuvers"]

[FBIS Translated Text] Materials concerning Japan's deep-rooted nuclear ambitions have been exposed one after another. A secret document pertaining to Japan's nuclear weapons development during World War II, which was kept at a Japan Defense Agency research institute, was made public recently. This is the representative example of such materials.

This document revealed that according to the order of the then Japanese Prime Minister Tojo, a group of more than 100 scientists formulated the Nishina Plan in 1941 for the development of the nuclear bomb, and carried out tests for the production of the atomic bomb by 12 August 1945. This clearly shows how persistently the Japanese militarists maneuvered to possess nuclear weapons.

Suzuki Tatsu Saburo, a scientist who belonged to the atomic bomb development group in Japan at that time, testified that had Japan developed the atomic bomb first, Japan would have used it. However, Japan itself became the only nation in the world ever to be bombed while attempting to inflict nuclear calamity on other countries.

The Japanese reactionaries, who suffered a miserable defeat during World War II, are still pursuing the ambition for overseas expansion and traversing along the path toward a great military power and nuclear armament, instead of seeking a serious lesson from their defeat.

By openly claiming that old Japan was defeated because its power was not strong enough, the Japanese ruling quarters raised the possession of nuclear weapons as an essential demand for realizing its big military power. They are, above all, undisguisedly carrying out maneuvers to remove systematic devices restricting the development and possession of nuclear weapons. Their scheme to discard the three-point nonnuclear principles is an example of such maneuvers.

The three-point nonnuclear principles, which reportedly prohibit the manufacture, introduction, and storage of nuclear weapons, were announced by the Japanese Government in 1968. Nevertheless, the Japanese authorities adhered to maneuvers to nullify the three-point nonnuclear principles immediately after they were announced.

In a regular meeting of the Japanese House of Representatives in June 1969, the then Japanese Prime Minister Sato said that the three-point nonnuclear principles could be revised at any time if policies were changed or the cabinet was shifted. In addition, former Prime Minister Fukuda stressed that a decision to arm the nation's Armed Forces with nuclear weapons could be adopted, thus exposing an ambition for possessing nuclear weapons.

Whenever they found the opportunity, the Japanese ultra-rightist forces insisted on reviewing the three-point nonnuclear principles.

The Japanese authorities challenged the issue of restricting nuclear weapons development not only at home but also in the international arena, including the United Nations. In the 22d, 27th, 32d, 33d, 34th, 35th and 36th sessions of the UN General Assembly, Japan opposed or abstained from voting on resolutions for banning the use of nuclear weapons, disarmament, and prohibiting the neutron bomb production.

Japan has not only provided material and technological potentials required for the production of nuclear weapons but also expanded the nuclear bomb delivery capacity even into the space. Not satisfied with this, Japan's ultra-rightist forces stored enormous amounts of plutonium. On the pretext of self-sufficiency in the demand of energy, Japan introduced 850 kilograms of plutonium on 14 occasions from the seventies until 1984, and in 1993, it brought 1.5-tones of plutonium from France.

Besides, Japan again purchased 13.7-tones of high-efficiency radioactive nuclear waste from France some time ago. A wide range of social circles in the world sternly denounced Japan for retaining more than necessary plutonium and expressed great concern over this.

All facts proved that Japan's nuclear armament development is deeply rooted and is advancing, and it is currently entering an extremely dangerous stage.

Nevertheless, the Japanese ruling bunch is propagandizing that its nuclear activities are related to so-called peaceful purposes, and is rather babbling about someone else's nuclear development suspicion.

However, as the gimlet cannot be concealed in a small bag, Japan's nuclear armament cannot be justified with anything. In view of Japan's attempt to use atomic bombs a long time ago, the Japanese ultra-rightist forces' nuclear armament maneuvers cannot but be regarded as a direct threat to the security of mankind and to global peace.

The Japanese authorities should correctly realize that going counter to the trend of the times, which demands the overall and complete abolition of nuclear weapons, is the path toward self- destruction.

Japan Denounced at Hearing on 'Comfort Women'

SK2208105295 Pyongyang KCNA in English 1021 GMT 22 Aug 95

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — Delegates of international organizations and non-governmental organizations attending the 47th meeting of the U.N. sub-commission on prevention of discrimination and protection of minorities now under way in Geneva had a hearing on Japan's crime related to "comfort women for the Japanese army" on August 11.

The delegate of the DPRK measure committee for Japan's compensation to "comfort women for the army" and the victims of the Pacific war denounced that Japan remains calm on the past crimes of massive human rights abuses until now when it is 50 years since the end of World War II and, some time ago, has, by all means, set up "the Asia peace national fund for women".

"It is no more than a ruse of [Japan] to avoid state responsibility and divert elsewhere the attention of world people and an undisguised challenge to the United Nations and the world community," he criticised.

Delegates of the International Commission of Jurists, the group for investigation into forcible drafting of Koreans, the Association of Human Rights of Koreans in Japan, the International Organization of Reconciliation and the World Council of Churches held that Japan must atone for the crimes of "comfort women for the army", recognized as a state crime, with state-level compensation unconditionally, not with the so-called "national fund".

The participants in hearing shared views on taking a joint step for a hardline measure against Japan at the United Nations.

Chongnyon Delegations Meet With Yi In-mo

SK2008082095 Pyongyang KCNA in English 0805 GMT 20 Aug 95

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — A delegation of officials of the union of Korean students studying at Japanese schools, a delegation of Korean youths and students in Japan and a visiting group of students of Korean University under the General Association of Korean Residents in Japan (Chongnyon) now on a visit to the socialist homeland met with Yi In-mo, incarnation of faith and will, here Saturday.

They told Yi that they would learn from his unfailing loyalty to the leader and his indomitable revolutionary spirit to become fine sons and daughters of chuche Korea who are intensely loyal to the great leader General Kim Chong-il, the destiny and future of the country and the nation.

They renewed their resolution to trust and follow General Kim Chong-il only, singing the songs "No Motherland Without You," "Led By You, We Will Win" and "Korea, I Will Glorify Thee."

Mongolian, Belarus Party Leaders Meet Envoys

SK2208000395 Pyongyang KCNA in English
1505 GMT 21 Aug 95

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — "The Mongolian People's Revolutionary Party [MPRP] extends an active support and solidarity to the struggle of the Workers' Party and the people of Korea for the country's reunification," said Bueragchagiyn Dashyondon [spelling of name as received], general secretary of the MPRP, when he met the DPRK ambassador to his country on August 14.

"I am convinced that the Korean people will achieve the national reunification, firmly rallied around the great leader Comrade Kim Chong-il," he said.

Sergey Kalyakin, first secretary of the Communists' Party of Belarus, when he met a delegation of the Workers' Party of Korea on August 3, said "Socialism Is a Science" and "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism", works published by dear Comrade Kim Chong-il some time ago, serve as a highly important guideline to his party which is struggling for the revival of socialism.

"The Korean people are, indeed, happy people, as they have Comrade Kim Chong-il as their great leader and are guided by the Workers' Party of Korea that has a 50-year-long proud history of struggle," he said.

UN FAO Official Leaves Pyongyang

SK2208095495 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 19 Aug 95

[FBIS Translated Text] M.V. Scaillet, department director of the Food and Agriculture Organization [FAO] of the United Nations, departed Pyongyang by plane on 19 August.

He was seen off at the airport by the functionaries concerned.

Agreement Signed With Malaysian News Agency

SK2208045795 Pyongyang KCNA in English
0427 GMT 22 Aug 95

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — An agreement on exchange of information and mutual cooperation between the Korean Central News Agency [KCNA] and the BERNAMA (Malaysian National News Agency) was signed on Monday in Pyongyang.

The agreement was inked by Pak Hyon-kyu, deputy general director of the KCNA, and Mohd Raus Borhan [name as received], general manager of the BERNAMA.

The signing ceremony was attended by members of the delegation of the Ministry of Information of Malaysia led by its General Secretary Datuk Zawawi bin Mahmuddin [name as received] now on a visit to Korea.

Zairian Parliamentary Group Departs Pyongyang

SK2208094595 Pyongyang Korean Central Broadcasting Network in Korean GMT 95

[FBIS Translated Text] A delegation of the Transitional Parliament of Zaire-the Higher Council of the Republic led by Anzuluni Bmebe Isilonyonyi, acting president of the parliament and its first vice president, left Pyongyang by plane on 19 August.

The delegation was seen off at the airport by Yo Yon-ku, vice chairperson of the Supreme People's Assembly [SPA], and Yi Mong- ho, secretary of the SPA Standing Committee.

Seminars on Kim Chong-il's Work Held Abroad

SK2208042395 Pyongyang KCNA in English
0414 GMT 22 Aug 95

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — A seminar on the famous work of the great leader Comrade Kim Chong-il "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" was held by the group for the study of the chuche idea of the great leader Comrade Kim Il-song of Malagasy students studying in Algeria.

Speakers said His Excellency Kim Chong-il in the work taught that it is imperative to solidly arm the popular masses with socialist ideology and strengthen the ideological bulwark of socialism in order to consolidate and develop socialism and firmly defend it from any storm. They stressed that only he could publish such a work.

Speakers at a seminar on the same work held by the Bulgarian group for the study of the chuche idea emphasized that the work is an immortal banner which gives a firm guarantee for firmly defending and developing socialism and a library on socialist ideological work.

Kim Il-song's Works Reported by Foreign Media

SK2208043095 Pyongyang KCNA in English 0417 GMT 22 Aug 95

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The famous work of the great leader President Kim Il-song "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" was carried by the Indian paper SAMACHAR POST and the Cambodian paper CAMBODIA.

Radio Citta Aperta of Italy, broadcasting the work, said that the 10-point programme is the most fair and aboveboard patriotic one for reunification which sets it as the general target of the great unity of the whole nation to found a reunified state, independent, peaceful and neutral, and as the principle of the great unity of the whole nation to subordinate everything to the cause of national reunification.

The work was also reported by radio Cairo of Egypt.

His work "Answers to Questions Raised by the General Director of the Latin American News Agency PRENSA LATINA" was carried by the Indian paper GUMTA AINA and "Let Us Reunify the Country Independently and Peacefully" from his work "Report to the Sixth Congress of the Workers' Party of Korea on the work of the Central Committee" by the Tanzanian paper MFANYA KAZI.

Pakistani Publisher Publishes Kim Il-song Work

SK2108050395 Pyongyang KCNA in English 0442 GMT 21 Aug 95

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — "Answers to Questions Raised by a Journalist Group of the CNN International of the USA", a famous work of the great leader President Kim Il-song, was published in pamphlet by the Afzal Publishing House of Pakistan.

The pamphlet in its preface said:

His Excellency Kim Il-song, the great leader of the Korean people, devoted his all for the freedom and happiness of the people, the independence and sovereignty of the country.

The publishing house has an honour of publishing, on the occasion of the 50th anniversary of Korea's liberation, the famous work "Answers to Questions Raised by a Journalist Group of the CNN International of the USA" in which His Excellency Kim Il-song, a brilliant thinker and theoretician and an outstanding leader, showed the principled stand on and the way of solution to the nuclear issue, Korea's reunification and improvement of the DPRK-U.S. relations.

Kim Chong-il Works Studied Abroad

SK1908050095 Pyongyang KCNA in English 0411 GMT 19 Aug 95

[FBIS Transcribed Text] Pyongyang, August 19 (KCNA) — "Giving Priority To Ideological Work Is Essential For Accomplishing Socialism," a famous work of the great leader Comrade Kim Chong-il, has been studied and disseminated in Mongolia, Madagascar, Guinea, Tanzania and Angola.

At a seminar held by the Dar-es-Salaam, Tanzania, group for the study of Kimilsongism, the speakers said the work of Comrade Kim Chong-il is a historical work fully meeting the requirements of the present time. They elaborated on its theoretical and practical significance.

At a seminar held by the Society for the Study of the Chuche Idea of Guinean Youths and Students, the speakers said the success of socialism in Korea is attributable to a successful ideological work. They expressed the highest respect to Comrade Kim Chong-il, who has developed the socialist theory on a new basis.

In a statement Rakotomandimby Selestine, national chairwoman of the Socialist Progressive Party of Madagascar, said the work is an encyclopedia of revolution which fully indicates basic ways of steadfastly defending the socialist cause and advancing the socialist movement, on the basis of the review of the historical lesson from the collapse of socialism and the revival of capitalism in some countries and the practical experience of the Korean revolution.

In his lecture the chief of the Mongolian Centre for the Study of the Chuche Idea said the idea elucidated by Comrade Kim Chong-il serves as a highly important guideline to be taken by all the progressive countries and peoples.

The national radio of Angola said Comrade Kim Chong-il gave the truth in the work that only when the popular masses are equipped with the socialist idea, is it possible to consolidate and develop socialism and steadfastly defend socialism in any storms.

Meanwhile, a reading session of Comrade Kim Chong-il's another work "On Developing the Movement of Koreans in Japan Onto a New Higher Stage" was held by the group for the Study of the Chuche Idea of Zairean Youths.

Seminars Held in Africa, Romania

SK2108051995 Pyongyang KCNA in English 0449 GMT 21 Aug 95

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism", a famous work of the great leader Comrade Kim Chong-il, has been disseminated and studied in different countries.

Seminars on the work were held by the Group for the Study of the Chuche Idea of the Dar-es-Salaam Teachers' College and the Group for the Study of the Chuche Idea of the Dar-es-Salaam Friendship Textile Mill in Tanzania and the West African Examination Council branch of the Ghanaian National Institute of the Chuche Idea.

Speakers at the seminars said Comrade Kim Chong-il has written a work, as precious as a beacon, indicating the road ahead of the world progressive people aspiring after socialism.

Noting socialism, the future of humankind, will advance dynamically only when it is under the outstanding leadership of Comrade Kim Chong-il and guided by the great chuche idea, they stressed: The truth that socialism is invincible when the ideological education is intensified along with the leadership of a working-class party is, indeed, justifiable.

Seminars on the work were also held by the Romanian Group for the Study of the Chuche Idea, the Society for the Study of the Chuche Method of Farming at the Kim Il-song Institute of Agricultural Science in Guinea and the Addis Ababa, Ethiopia, Group for the Study of the Chuche Idea. A reading meeting on the work took place at the Malagasy Institute for the Study of Chuche-based Idea on literature and art.

Kim Chong-il Thanks Various Units, Working People

SK2208043795 Pyongyang KCNA in English 0419 GMT 22 Aug 95

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The great leader Comrade Kim Chong-il extended thanks to the Ministry of Railways Committee of the League of Socialist Working Youth, O Yong-il, a student at the Faculty of Foreign Languages and Literature of Kim Il-song University, Yi Hae-nam, a researcher at the doctors' training course of the Faculty of Automatic Engineering of Kim Chaek University of Technology, and other units, working people and students, for their active assistance to increasing the output of lead and zinc at the Komdok Mining Complex.

Comrade Kim Chong-il also sent thanks to woman trolley-bus drivers under the Pyongyang Associated Transport Bureau, for doing their duty in a creditable manner as service workers for citizens of the capital.

Reports on Song 'The Leader With the People'

SK2108150795 Pyongyang KCNA in English 1502 GMT 21 Aug 95

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — The song "The Leader With the People" is very popular in Korea.

The song tells that President Kim Il-song, the tender-hearted father of the Korean people, stays up all night and visits factories and remote villages early in the morning to provide them with a happier life, always finding himself with them. It also reflects their determination to remain loyal to him for ever.

Singing this song, the people are sorely missing him, who devoted his whole life to them.

President Kim Il-song, with "believing in the people as in heaven" as his lifelong motto, gave great leadership to every corner of the country for many years to make the people's life more abundant.

He gave on-the-spot guidance to more than 88,000 units throughout the country for nearly half a century after the country was liberated in August 7945.

In the postwar period, he visited ruined factories and encouraged workers to demonstrate the mettle of the Korean people again in the rehabilitation and construction. He also visited rural communities to tell the peasants what they had to do and inspire them to increased production of grains.

He always said he felt relieved of his fatigue and happy to see the people living a happy life. During his on-the-spot guidance tour, he called at the workers' dormitories before any places else and took good care of their life. One day, he dropped at a house of a newly-married couple to wish them happiness.

Indeed, he had found himself among the people from the day when he started the revolutionary activities to the last days of his great life.

He was really the tender-hearted father of the Korean people, a big family.

This is why the Korean people always remain faithful to him.

Officials Mark Kim Il-song's Grandfather's Birth

SK2108094495 Pyongyang Korean Central Television Network in Korean 1100 GMT 19 Aug 95

[FBIS Translated Text] On the occasion of the 124th anniversary of birth of Mr. Kim Po-hyon, grandfather of the great leader Comrade Kim Il-song, cadres of the party and the government, functionaries of the central organs, and workers in the capital laid floral baskets before the grave of Mr. Kim Po-hyon.

A floral basket sent by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people and the supreme commander of the Korean People's Army, was lying before the grave.

Floral baskets in the name of the Central Committee of the Workers Party of Korea were presented amid the floral basket-laying music. Following this, floral baskets in the name of the ministries under the Administration Council, the central organs, universities, and complexes were laid. Also laid before the grave was a floral basket in the joint name of the party, power, administrative, and economic organs.

The participants paid a silent tribute in memory of Mr. Kim Po-hyon, who let his descendants join in the lofty revolutionary struggle for the liberation of the fatherland and actively supported this; who fought against the Japanese imperialist aggressors and landowners; and who had patriotism and benevolence in his family's custom even if he led a poor life.

Yi Chong-ok Gives Decision on Conferring Degrees

SK1908080995 Pyongyang Korean Central Television Network in Korean 1100 GMT 16 Aug 95

[FBIS Translated Excerpt] A meeting was held to confer degrees and titles to intellectuals who set examples in scientific research projects and education work on the 50th anniversary of the fatherland's liberation. During the meeting, Comrade Yi Chong-ok delivered the decision of the DPRK State Commission for Conferring Degrees and Titles on awarding degrees and titles to the intellectuals. [passage omitted]

Reunification Festival Participants Tour City

SK2008083595 Pyongyang KCNA in English 1512 GMT 19 Aug 95

[FBIS Transcribed Text] Pyongyang, August 19 (KCNA) — Participants in the grand national reunification festival celebrating the 50th anniversary of Korea's liberation visited different places of Pyongyang.

Delegates, overseas Koreans and foreign guests of honor visited the Tomb of Tangun, the king of ancient Korea, at a Pyongyang suburb on August 16.

The great leader President Kim Il-song made sure that the Tomb of Tangun, who had been considered to be a mythical man for thousands of years, was unearthed to prove he was the [words indistinct], the tomb of the nation's father.

After seeing the tomb, O Yong-chil, a member of Koreans' delegation from the United States, said the tomb, which proves the long history of the Korean nation and the origin of its homogeneity, will always remain a symbol inspiring the 70 million fellow countrymen to great unity and a holy place of the nation which educates the posterity in the spirit of patriotism, conveying through generations the immortal feats of the respected leader President Kim Il-song and the Workers' Party of Korea.

That day, they appreciated an acrobatic performance at the Pyongyang circus.

On the 17th, foreign guests of honor visited Mangyongdae, the Paektusan institute of architecture, the Pyongyang metro, the Mangyondae school children's palace and other places in the city.

On the same day, Koreans from abroad visited the Suksom revolutionary site with historical relics showing President Kim Il- song had a consultative meeting with South Korean politicians who participated in the North-South joint conference in 1948, and toured various places.

Overseas Koreans Depart Pyongyang 19 Aug

*SK2208094795 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 19 Aug 95*

[FBIS Translated Text] So Man-sul, vice chairman of the Central Committee of the General Association of Korean residents in Japan; a delegation of compatriots residing in Australia led by An Chong-su, chairman of the Australian headquarters of the National Alliance for the Country's Reunification [Pomminnyon]; and Mun Myong-cha, compatriot living in the United States, left Pyongyang on 19 August by plane. They had visited Pyongyang to participate in the grand national reunification festival marking the 50th anniversary of the national liberation.

They were seen off at the airport by Kim Yong-sun, secretary of the Central Committee of the Workers Party of Korea and chairman of the North side's preparatory committee for the national reunification festival marking the 50th anniversary of the national liberation; Paek In-chun, chairman of the North side's headquarters of Pomminnyon; Kim Su-ik, director of the General Bureau of Reception of Overseas Compatriots; and Sin

An-pang, vice chairman of the Pyongyang Municipal Administrative and Economic Committee.

Participants in Reunification Festival Depart

SK2208100495 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 19 Aug 95

[FBIS Translated Text] Foreign guests who attended the grand national reunification festival marking the 50th anniversary of national liberation departed Pyongyang on 19 August by plane.

They were seen off at the airport by Kim Yong-sun, secretary of the Central Committee of the Workers Party of Korea [WPK] and chairman of the North side's preparatory committee for the national reunification festival marking the 50th anniversary of the national liberation; (Yim Sung-pil), deputy director of a department of the WPK Central Committee and vice chairman of the Korean committee for solidarity with the world people; Chon Yon-ok, vice chairman of the Korean Committee for Cultural Relations With Foreign Countries; and other functionaries concerned.

The honorary guests who departed Pyongyang are as follows: Francisco Da Costa Gomes, former president of Portugal and honorary chairman of the International Liaison Committee for Reunification and Peace in Korea [Cilreco]; Paulette Pierson, vice chairman of Cilreco; Guy Dupre, secretary general of Cilreco; P. Shiv Shankar, governor of Sikkim State of India and former foreign minister who is now chairman of the All-India Indo-Korean Friendship Association, and his companion; Narayan Man Bijukchhe, chairman of the Central Committee of the Nepal Worker-Peasant Party; Maysouk Saysompheng, president of the Central Committee of the Lao Front for National Construction and the Laos-Korea Friendship Association, and his companion; Jack McPhillips, former chairman of the Central Committee of the Socialist Party of Australia, who is secretary general of the Australia-DPRK Friendship and Cultural Exchange Association; Madirisha Juvenal, chairman of the Burundian Committee to Support Korea's Reunification, who is secretary general of the African Regional Committee of Friendship and Solidarity With the Korean people; Anders Kristensen, chairman of the Denmark-DPRK Friendship Association and secretary general of the Nordic Cooperation Committee for Friendship and Solidarity With the Korean people, and his companion; D. Bilegt, secretary general of the Federation of Peace and Friendship Organization of Mongolia; and Om Prakash Mantri, secretary general of the All-India Indo-Korean Friendship Association who is secretary general of the Asian Regional Committee to Support Korea's Reunification.

Prior to this, (Kyodebono Krek), vice chairman of Cilreco and former vice head of the Maltese Labor Party; Roberto Gabriele, general secretary of the Central Committee of the Movement for Peace and Socialism of Italy; and Reggie Ranatunga, deputy minister of transport, environment, and women's affairs of Sri Lanka and chairman of the Sri Lanka-People's Korea Friendship Association, had left Pyongyang by plane.

Bulletins Published on Liberation Anniversary

SK2108223195 Pyongyang KCNA in English
1510 GMT 21 Aug 95

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — Bulletins were published in different countries on the occasion of the 50th anniversary of Korea's liberation.

The bulletin titled "50th Anniversary of Korea's Liberation", which was published by the news agency of Guinea, said His Excellency Kim Il-song, the father of the Korean nation, sounded the unique chuche idea in the course of struggle for the fatherland and the people and, on it basis, indicated the way of struggle for national liberation.

Bulletins were also published by the Tanzania-DPRK Friendship Association and the Ukraine-DPRK Association.

The bulletin of the Ukraine-DPRK Association said the Democratic People's Republic of Korea has now turned into a powerful socialist industrial country, a man-centred socialist country in which the people have become masters of everything and everything serves the people for the first time in history.

"The dramatic change effected in the destiny of the Korean people is unthinkable apart from his excellency President Kim Il-song who founded the chuche idea and thoroughly applied it to the whole course of struggle for national liberation and building of a new society," the bulletin said.

The Pakistan-Korea Friendship Association in a bulletin stressed the Korean people, under the wise leadership of the great leader Comrade Kim Chong-il, are working to make their country more prosperous and more powerful, the country that was liberated and built by his excellency the great President Kim Il-song.

Cadres Watch Film on Working Class

SK2008072995 Pyongyang Korean Central Broadcasting Network in Korean
0100 GMT 20 Aug 95

[FBIS Translated Excerpt] Recently, under our party's energetic guidance, the Korean Art Film Studio magnificently produced Chapter 5 of the 29th part on the working class of the multi-part art film "Nation and Fate," as a monumental masterpiece of the era.

Party and government cadres watched this film on 19 August at the People's Palace of Culture. Vice President Kim Pyong-sik; Comrades Kim Yong-nam, Chon Pyong-ho, Han Song-yong, Kim Chol-man, Choe Tae-pok, Yang Hyong-sop, Hong Sok-hyong, Yi Ul-sol, Kim Kwang-chin, Kim Chol, Hwang Chang-yop, Kim Yong-sun, Kim Pok-sin, Kim Yun-hyok, Chang Chol, Yun Ki-pok, Pak Nam-ki, Chon Mun-sop, Yu Mi-yong; members and alternate members of the Workers Party of Korea Central Committee in Pyongyang; responsible functionaries of party and governing organs, administrative and economic organs and social organizations; officers and men of the Korean People's Army; anti- Japanese revolutionary fighters; responsible functionaries of the fields of science, education, literature and art, health, and press and publication; and professors and doctors also watched this film. [passage omitted]

Garment Workers Volunteer To Move to Farms

SK2108113095 Pyongyang Korean Central Television Network in Korean 1100 GMT 20 Aug 95

[FBIS Translated Text] Comrades Paek Myong-hwa and Hwang Kum-son of the ready-made clothes shop at the Tongdaewon garment plant volunteered to move to socialist rural areas with a sheer loyal desire to realize the intent, held by the fatherly leader in his lifetime, by producing rice.

They are filled with ardent resolution to repay the benevolence of the great leader [yongdoja] Comrade Kim Chong-il — who extended great love and consideration to them after receiving a report on minor deeds of them, ordinary farmers — with a bumper crop every year.

The functionaries and employees of the garment plant warmly saw off Paek Myong-hwa and Hwang Kum-son's families who were leaving for the Ipsok and Kalsan cooperative farms respectively.

Power Plant Workers Manage Water Levels

SK2008225295 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 19 Aug 95

[FBIS Translated Text] Functionaries and working people at the Mirim dam power plant are now vigorously carrying out the struggle to glorify the 50th party founding anniversary with a great winners' festival.

From the beginning of August, they have achieved good results in producing electric power by pushing ahead with a perfect operating schedule, even under the complicated production condition in which the water level frequently changes hour-to-hour and day-to-day. In particular, Generators Nos. 2 and 3 have larger outputs than the other generators.

Plant workers, including Comrades Kim Chang-sok and Yi Kuk-chang, guarantee the operation of generators at full capacity while managing and adjusting water levels in a reasonable way in conformity with rainy season conditions.

Huichon Export Garment Plant Increases Output

SK2108100395 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 20 Aug 95

[FBIS Translated Text] According to a report from station reporter Choe Hun, party members and workers at the Huichon export garment plant are actively increasing the production of export garments by vigorously carrying out the struggle to implement the party's trade-first policy, upholding the party Central Committee's slogans, with the same fight and spirit shown in the 70-day struggle.

Seamstress workers at the Shop No. 2, who have vigorously risen up to glorify the 50th party founding anniversary with brilliant labor feats, bearing the rock-firm faith that we will do what the party decides, introduced much processing equipment, such as efficient saddle-stitching machines and oversewing machines, as well as reasonable work methods, so they are effecting a renovation to overfulfill the daily production target at 120 percent or more in the coming days.

Methane Gas Plants Help Farming Work

SK2108125795 Pyongyang Korean Central Television Network in Korean 1100 GMT 19 Aug 95

[FBIS Translated Text] By waging vigorous struggles, Yonan County, South Hwanghae Province, has achieved great successes, upholding the teachings given by the great leader Comrade Kim Il-song during his visit to Ohyon cooperative farm on 31 August 1993 on actively utilizing methane gas in farming work.

[Begin unidentified person recording] Here in Yonan County, we have produced methane gas by the county's own efforts and have expedited farming work by utilizing methane gas, upholding the teachings given by the great leader Comrade Kim Il-song during his personal visit to Pojon Field on 31 August 1993.

To unfailingly carry forth the great leader's behests, the functionaries in the county have organized political and economic work down to the last detail to effectively carry out the work to manufacture and utilize methane gas among all the functionaries and the people in the county. Of course, the work of manufacturing and utilizing methane gas by ourselves was not that simple. However, with the iron-will conviction that when the party decides we will do it, the functionaries in the county stood in the forefront to tide over obstacles at the right time and carried out the work in a revolutionary manner whenever they were faced with difficulties.

By building a methane gas plant with the capacity of producing approximately 100 cubic meters at every cooperative farm in the county, we maintained high and steady production by manufacturing methane gas worth 1,000 cubic meters a day. With the mind of loyalty to produce [word indistinct], the functionaries and workers at the agricultural machine work station unanimously rose up, producing high-pressurized compressors by cleaning and assembling hundreds of kinds of parts and installing them at every methane gas plant in cooperative farms. They have also produced [word indistinct] for tractors and trucks. In this way, they have thoroughly set up measures to utilize and manufacture methane gas by producing what is wanting and finding what is lacking.

By building methane gas plants, we have vigorously carried out the work to create favorable conditions for producing methane gas and moving machines and facilities with methane gas.

We are not boastful of what we have already achieved. We will thoroughly set up the measures to utilize and produce methane gas, and will actively contribute to the farming work. Thereby, we will thoroughly implement the tasks set forth in the socialist rural theses and will brilliantly adorn the 50th anniversary of the founding of the party with a bumper crop, giving great happiness and satisfaction to the great general. [end recording]

Railway Worker's Family Moves to Rural Area

SK2208095095 Pyongyang Korean Central Television Network in Korean 1100 GMT 21 Aug 95

[FBIS Translated Text] At a time when a beautiful phenomenon of people volunteering to work in difficult areas is continuously being displayed across the country, a worker of the Railways Ministry, Cho Tae-kyong, and his entire family have recently voluntarily moved to a socialist rural area. [Sounds of hand clapping heard]

They said: While stating that agriculture is the great foundation of the country, the fatherly leader [suryong-nim] worried about the country's agriculture throughout his life. Thinking of his worry, we feel guilty for failing to fulfill our duty. They pledged to work hard to ensure that the great General Kim Chong-il does not worry about agriculture. Therefore, following their second son's move to Kuhyong-ri, Unjon County, North Pyongan Province on 18 June, the entire family departed for Ogya-ri, Unjon County today. The workers of the Railways Ministry warmly saw them off as they departed with an enthusiastic pledge to repay the great general's trust and love, in which he personally read their letter, with an increase in grain production.

Chongjin Steel Mill Improves Productivity

SK2108071995 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 19 Aug 95

[FBIS Translated Text] Party members and workers of Chongjin Steel Mill have risen in unison to glorify the 50th founding anniversary of the party with high political enthusiasm and brilliant labor feats. Not letting loose the spirit of overfulfilling the July production target, they are increasing production in August as well. Reporter Choe Chang-hwa of the Central Broadcasting Station interviewed manager Kim Hae-ryong, deputy of the Supreme People's Assembly and labor hero:

[Begin Kim recording] Party members and workers of the Chongjin Steel Mill have risen in unison to the lofty resolution to glorify the 50th founding anniversary of the party with high political enthusiasm and brilliant labor feats. With the pride of brilliantly overfulfilling the July and the first-quarter production targets, they are waging a vigorous struggle. Bearing the pride of working at an honorable post where the specialty of the metal industry is established, the party members and workers of the steel mill are vigorously waging a struggle to increase steel production, making the most outstanding performance this year.

Comrade Yi Man-chol, workshop chief; Comrade Kim Hui-kon, unit chief; and other party members and workers of the ball ore workshop modified equipment structures and applied many valuable technical innovations to production. They increased the production of ball ores 3.5 times over the same period last year, and sent them to the furnaces.

The flame of innovation is spreading to the furnace workshops. The workshops improve the operation of furnaces in conformity with the conditions of various materials. They produce quality steel by properly adjusting the density of coal and wind volume. The furnace operators scientifically do their work and cooperate with the technicians in the struggle for a reasonable combination of fuel and furnace, thus, solving all problems in the field.

The party members and workers of Chongjin Steel Mill, who uphold the party Central Committee's slogans published on the 50th founding anniversary of the Workers Party of Korea and who have risen in unison to implement the slogans, resolve to uphold our party with steel by producing more steel this month. [end recording]

Reports on Manufacture of New Farm Machines

SK1908224195 Pyongyang KCNA in English
1507 GMT 19 Aug 95

[FBIS Transcribed Text] Pyongyang, August 19 (KCNA) — The Agricultural Mechanisation Institute of the Academy of Agricultural Science of the National Academy of Sciences of Korea has made different types of modern and efficient farm machines.

A new machine transplanting humus-potted maize seedlings is simple in structure and very valuable in the economy. Installed in 28 hp "Chollima" tractor, it can make furrows even on wet fields and correctly transplant humus-potted maize seedlings before pressing down on the earth.

A drive weeder making use of the running devices of rice- seedling transplanter is also simple in structure and high in productivity. It can weed three hectares of paddy fields on a daily average. The number of rotation of newly-made edges per minute is 100-130, efficient in weeding and very good in growth of rice because it totally upsets the ground of paddy fields. It can fertilize paddy fields with a fertilizer box before it.

A machine digging manure hollows for fruit trees is also reputable. Its efficiency is 16.7 times compared with human workforce.

Besides, the institute manufactured a machine weeding and fertilizing maize fields and other farm machines.

The manufacture of a machine making ridges while manuring before sowing, a high-speed rice-transplanting machine and equipment treating seeds is now in the final stage.

Changjagang Power Plant Increases Production

SK2008112495 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 18 Aug 95

[FBIS Translated Text] According to a report by station reporter Choe Hun, party members and workers at the Changjagang power plant, who have vigorously risen to implement the party's revolutionary economic strategies, upholding the party Central Committee's slogans, overfulfilled the electricity production plan for July and have continuously expanded the result they achieved since the beginning of August.

Bearing deep in mind the great dignity and pride in working at an honorable work site where the great leader [suryongnim] and the respected and beloved general visited, workers and technicians at the power generating shop have vigorously carried out the struggle to increase the production of electric power. As a result, they continue to produce 800,000 kwh more electricity than the daily target and send it to socialist construction sites.

They thoroughly guarantee operations at a high water level and a high efficiency rate by tenaciously managing water in conformity with the conditions of the rainy season, and are operating all generating facilities at full capacity, focusing on managing facilities and technology.

Workers at the repair shop concentrate great efforts on firmly reinforcing the grand hydroelectric power structures by highly displaying the revolutionary spirit of self-reliance and fortitude, so that they are actively contributing to normalizing the production of electric power at a high level.

Hochongang Power Plant Overfulfills Daily Plan

SK2008225595 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 19 Aug 95

[FBIS Translated Text] Electricity producers at the Hochongang power plant are achieving great results in production by concentrating efforts on managing facilities.

The first shift team of operators at Generating Shop No. 1 have tenaciously checked facilities alternately and have well managed technology. As a result, they have lately produced (?30,000 kwh) more electricity than the planned target in a short period of time.

Generating Shops Nos. 2 and 3, which won the red banner of the three revolutions, are also producing more electricity than the daily target every day.

The power plant keeps overfulfilling its daily production plan 1.2 times these days and sends the electricity to various sectors of the national economy.

Power Plant Workers Try To Increase Production

SK2008233095 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 19 Aug 95

[FBIS Translated Text] Functionaries and workers at the Pyongyang Thermal Power Complex, who have risen up to increase electric power production upholding the party Central Committee's slogans, are properly maintaining thermal power generating facilities to accomplish a higher goal of electricity production this year.

The functionaries and workers of this complex have completed the technical modification of a boiler and the overall repair of two boilers in a short period of time. Without boosting with the results, they are filled with a sheer desire to prepare a great labor gift for the October festival and are now scoring gains in technically modifying Boiler No. 5 and repairing Boiler No. 8 and Turbine No. 8.

Taedonggang Power Plant Increases Production

SK2108095895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 20 Aug 95

[FBIS Translated Text] Electricity producers at the Taedonggang Hydroelectric Power Complex are normalizing the production of electric power by operating all generating facilities at full capacity.

In particular, while maintaining close contact with the Electricity Supply Command, electricity producers at the plant's generating shop overfulfill electricity production by 1.3 times or greater daily by distributing the load to generators in a scientific and technological manner, and by reasonably operating generators at a high-water level.

South Korea

North's Steel, Energy Sectors Face 'Collapse'

SK2208054095 Seoul CHOSON ILBO in Korean 22 Aug 95 p 31

[Report by reporters Kim Hyon-ho, Kim In-ku, Ku Song-chae, Kim Yon-kwang, and Song Ui-tal]

[FBIS Translated Text] It has been learned that the Musan mine, the largest ore mine in North Korea, has suspended its operations due to a shortage of electric power, fuel, and pit props.

It was also confirmed that the operations of Sungni chemical plant, an oil refinery located in the Najin-Sonbong Free Economic and Trade Zone, have been suspended due to the lack of fuel. A foreign official well informed in North Korean affairs said that while he was visiting North Korea recently, he heard from high-ranking North Korean officials about the closure of the Musan mine and that he personally confirmed the suspension of the Sungni oil refinery plant operations.

The Musan mine, with deposits estimated to be approximately 1 billion metric tons and annual production of 8 million metric tons, is known as a world-famous strip mine.

The Sungni chemical plant in Sonbong County, which was built with the Soviet support in the 1970's, is the largest oil refinery in North Korea. It has a oil refining capacity of 2 million metric tons, and produces gasoline, naphtha, kerosene, jet fuel, heavy oil, and lubricating oil.

This official's testimony that the iron-steel and energy industries, which are the backbone of the North Korean industries, are faced with an overall collapse, has been confirmed by the material on analysis of the North Korean economy published recently by the Japan External Trade Organization.

According to this material, the production of steel, one of the major export items to China, fell 39 percent during 1994, and the amount of oil imported by North Korea was 2.52 million metric tons in 1990. However, [oil] imports were drastically reduced to 1. 89 million metric tons in 1991; 1.41 million metric tons in 1993, and 910,000 metric tons in 1994. This shows that the amount of crude oil which North Korea imports a year is less than the oil refining capacity of the Sungni chemical plant.

North Korea has great expectations that the United States will give it 500,000 metric tons of heavy oil each year beginning in 1996 in compliance with nuclear negotiations, ans is hoping the heavy oil will greatly help settle its energy shortage.

This being the case, North Korea reportedly accepted the U.S. demand in June of preventing heavy oil from being diverted for military use.

Thus, the technicians' team from U.S. Energy Department has installed an automatic measuring instrument in the heavy oil storage tanks. Besides, the United States demanded the right to examine at any time the amount of electric power generation in thermal power plants in Sonbong, Chongjin and the like, and the demand has been accepted.

This official pointed out that although the North Korean economy is worsening each month, economic authorities merely emphasized "the policy for full-scale opening of Najin-Sonbong district." He added that "North Korea appeared to have no measures to push for the opening of Najin and Sonbong and for reform of its internal system by harmoniously combining them." He explained that visiting the sites used for unloading ROK rice, he asked North Korean workers if they knew that this rice came from South Korea. But they replied that "there is no need for them to know about such a thing." Thus, he noted that the fact that the ROK is giving rice support is relatively widely known among North Korean residents.

North's Flood Damage Reportedly 'Worst' Ever

SK2208061995 Seoul MUNHWA ILBO in Korean 22 Aug 95 p 2

[FBIS Translated Text] North Korea reportedly had the worst flood since 1967 due to heavy rains that began on 1 August near the Amnok and Taedong Rivers. On 18 August, North Korea's Central Broadcasting unusually reported on a tremendous loss of human lives and property. On 21 August, the KOREA CENTRAL NEWS AGENCY again reported that the flood damage was "the worst in history," revealing the gravity of the situation.

The sudden downpour in the northwest area of North Korea flooded or damaged various industrial facilities and cultivated land. Particularly, the floods in the Anju and Pakchon fields, North Korea's largest granary, are expected to worsen North Korea's food shortages.

According to the North Korean media and ROK Government authorities, the worst losses are in the Amnok River area, which had over 500 mm of rain.

The overflow in Supung Dam, where Supung Hydroelectric Power Plant is located, coupled by the high tide in the West Sea, flooded Sinuiju city and Uiju County, leaving more than 2,000 refugees. Maengsan and Tokchon areas had a heavy downpour of over 800 mm, causing heavy damages in the entire Taedong River basin.

North Buys 132,000 Tons of Thai Rice

SK2208110395 Seoul YONHAP in English 1041 GMT 22 Aug 95

[FBIS Transcribed Text] Bangkok, Aug. 22 (YONHAP) — North Korea has purchased 132,000 tons rice in Thailand so far this year.

The purchase was under the contract North Korea signed with Thailand last February for the procurement of 300,000 tons of Thai rice.

A diplomatic source here said Tuesday North Korea plans to buy 68,000 more tons of Thai rice before the close of the year to make their purchase of Thai rice this year 200,000 tons in all.

Of the 68,000 tons to be procured, 34,000 tons would be bought by the end of September and the remainder by the close of December, the source said.

Under the February contract, North Korea is to purchase 100,000 tons out of the 300,000 tons in a credit payable after a two-year grace.

The remaining 200,000 tons are to be obtained in a barter in exchange for North Korean-produced hot-rolled steel plates, zinc ingots and cement.

North Korea purchased 100,000 tons of Thai rice in the period of 1993-94.

DPRK Yet To Apologize to Japan for Remarks

SK2208014595 Seoul HANGUK ILBO in Korean 22 Aug 95 p 2

[FBIS Translated Text] According to an official of the National Unification Board on 21 August, the Japanese Government notified the ROK Government that North Korea has yet to retract the remarks by Kim Yong-sun, secretary of the Workers Party of Korea, on Japan providing rice aid as a compensation for its past, and that Japan yet to receive an official apology from North Korea.

KEDO Team To Return From North 22 Aug

SK2208035795 Seoul KBS-1 Radio Network in Korean 0300 GMT 22 Aug 95

[FBIS Translated Text] The light-water reactor site inspection team of the Korean Peninsula Energy Development Organization [KEDO] will arrive in Seoul today after a six-day inspection of Sinpo in North Korea. The inspection team of eight ROK, U.S., and Japanese geological and geomorphological experts reportedly made a general geological and geomorphological evaluation of Sinpo in the initial survey, checked the related data compiled by Russia in the end of the eighties, and made sample tests of the soil and water.

Sol Rosen, head of the light-water reactor site inspection team, will hold a news conference on the afternoon of 23 August to announce the inspection results.

DPRK Reportedly Expands Zone's Capacity

SK2108092595 Seoul KBS-1 Radio Network in Korean 0600 GMT 21 Aug 95

[FBIS Translated Text] North Korea expanded the area for the development of the Najin-Sonbong free economic and trade zone from 610 sq km to 745 sq km in order to increase foreign investment. According to a Beijing broadcast, North Korea increased the annual cargo handling capacity of the Najin-Sonbong area and the Chongjin port from the current 11 million tonnes to 70 million tonnes and increased the annual railway transport capacity to 20 million tonnes, thus placing emphasis on the expansion of basic facilities.

Beijing broadcast also said that North Korea is working hard to obtain the much-needed $7 billion for the development of the Najin-Sonbong economic and trade zone and investment into the basic facilities and industries.

North Hoping for Korean-American Investment

SK2208071195 Seoul MAEIL KYONGJE SINMUN in Korean 22 Aug 95 p 12

[Report by Min Hyo-ki]

[FBIS Translated Text] It has been learned that with the full-scale opening of the Najin-Sonbong free trade zone, North Korea is hoping that Korean residents in the United States will actively invest in this zone, in addition to the investments by ROK and U.S. business firms.

According to the Korea Trade and Investment Promotion Corporation, the North Korean mission at the United Nations recently held a seminar in Los Angeles on investments in North Korea and revealed that North Korea opened Najin and Sonbong on a full scale beginning on 30 June and that some U.S.-residing Koreans actually invested in North Korea through a third country and the ROK.

Government Sanctions Clergyman's Visit to North

SK2208094395 Seoul YONHAP in English 0[illegible] GMT 22 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — Head minister Kwak Son-hui, 62, of the Somang Presbyterian church in Sinsa-tong, southern Seoul, arrived in Pyongyang aboard an Air Korea flight from Beijing Tuesday. He departed South Korea Monday afternoon to make a North Korea visit authorized by the South Korean Government.

A National Unification Ministry official said Tuesday, "Minister Kwak's application to visit North Korea for the purpose of discussing religious cooperation was approved. I understand that while staying in the North until Aug. 30 he will meet with his nephew who resides there."

Kwak was invited to visit North Korea by Kang Yong-sop, chairman of the Central Committee of the (North) Korean Christian Federation, according to the official.

Kwak was the first South Korean religious leader to visit the North in 1991. He is also expected to discuss with the North Koreans the establishment of a dental clinic there, which is being promoted by his church.

Kwak's North Korea visit this time marks the first of its kind since the inauguration in 1993 of the Kim Yong-sam government and it may herald an accelerated exchange of religious leaders between the two Koreas.

Taiwan Reportedly Cancels Flights to Pyongyang

SK2208023495 Seoul CHUNGANG ILBO in Korean 22 Aug 95 p 1

[Report by Yu Kwang-chong from Taipei]

[FBIS Translated Text] It was confirmed on 21 August that Taiwan's second charter flights to Pyongyang following the first at the end of April were canceled because Russia refused to allow Taiwan to use its air space. This is believed to be Russia's consideration for the PRC's position and the recently aggravating PRC-Taiwan relations.

To avoid the deterioration of relations with the PRC, North Korea has not been enthusiastic about the second Taiwanese charter flights, either. The expansion of North Korea-Taiwan exchanges is expected to stop.

According to Taiwan's tourism industry, Russia refused to allow Taiwan to use its air space on 14 August in consideration of the PRC's position. As a result, Taiwan's charter flights to Pyongyang scheduled for 26 and 31 were canceled.

PRC Top Investment Spot for Businesses

SK2208074895 Seoul YONHAP in English 0703 GMT 22 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — China emerged as the most popular country for business investors of the country last year, just two years after the country normalized relations with China in 1992, the Foreign Ministry said Tuesday.

As of the end of March 1995, South Korean businesses invested a total of 1.2 billion dollars in China, according to statistics released on the third anniversary of the establishment of full diplomatic relations between Seoul and Beijing on Aug. 24, 1992.

The amount accounts for about 16 percent of South Korea's total investment abroad.

The South Korean Government has already approved about 800 million dollars of additional investment in China, bringing the current total to over two billion dollars, the statistics revealed.

South Korea meanwhile emerged as the sixth largest trading partner of China while the latter became the third biggest trading partner of South Korea.

Trade volume between the two countries reached 11.6 billion dollars in 1994 with South Korea exporting 6.2 billion dollars worth of goods and importing 5.4 billion dollars worth.

Bilateral trade reached 7.7 billion dollars during the first half of the year, a 41.3 percent rise from the previous year, with the country exporting 4.1 billion dollars in goods and importing 3.5 billion dollars worth.

The Foreign Ministry expects that two-way trade will reach 15 billion dollars by the end of the year.

As many as 235,000 South Koreans visited China during 1994, a 110 percent increase from 1993, while 63,000 Chinese visited the country during the same period.

During the first four months this year, 93,000 South Koreans visited China, a 90.3 percent increase from the previous year while 22,000 Chinese came to South Korea, a 203 percent rise from 1993.

Since the two countries signed an aviation agreement in October 1994, 50 flights a week now service the six Chinese cities of Beijing, Shenyang, Dalian, Tianjin, Qingdao and Shanghai, according to the statistics.

As of 1994's end, over 11,000 South Koreans will be residing in China and as many as 823 South Korean firms will be operating there.

The number of ethnic Koreans living in China was estimated at about 1,920,000 in 1992. The total breaks down to 1,180,000 in Jilin Province, 450,000 in Heilongjiang, 230,000 in Liaoning, 22,000 in Inner Mongolia and 10,000 in Beijing.

Two-way trade volume between North Korea and China, meanwhile, reached 624 million dollars in 1994 with North Korea exporting 199 million dollars in goods and importing 425 million dollars worth.

Maritime Police Arrest PRC Skippers

*SK1808124595 Seoul YONHAP in English
1202 GMT 18 Aug 95*

[FBIS Transcribed Text] Inchon, Aug. 18 (YONHAP) — The Maritime Police here on Friday arrested the skippers of two small Chinese boats for trying to illegally land 28 would-be stowaways on Korea.

One of the two charged with violating the immigration law was identified as Ting Benxin, age 47, the skipper of a 10-ton fishing boat with Dandong, China, registry.

A police source said the two boats were caught carrying 28 people — 18 Chinese of Korean ancestry and 10 ethnic Chinese — about 58km west of Sochongdo Island, Ongjin-kun, Inchon around 9:45 PM last Monday.

This was the first time Chinese skippers were ever arrested in Korea in connection with attempted illegal entry to South Korea by Chinese people.

Trade With China Said To Reach $50 Billion

*SK2208021995 Seoul YONHAP in English
0125 GMT 22 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — The volume of trade between South Korea and China is expected to reach 50 billion U.S. dollars annually by 2001, the Trade, Industry and Energy Ministry predicted Tuesday.

Since China, pushing to join the World Trade Organization (WTO), may have to lower its tariffs on import goods gradually as well as loosen its non-tariff barriers, South Korea's trade with the country is predicted to grow rapidly, according to the ministry.

If China maintains its current high economic growth, bilateral trade between the two nations will soar 20-30 percent every year, eventually reaching 50 billion U.S. dollars by 2001 — about eight times higher than the volume in 1992 when they normalized diplomatic relations.

The volume has soared 37 percent annually on average so far, having stood at 6,380 million dollars in 1992 but increasing to 9,080 million dollars in 1993 and to 11,660 million dollars last year.

Meanwhile, the volume was 7.7 billion dollars in the first half of this year.

Thus China accounted for 6.2 percent of South Korea's total trade last year, becoming the country's third biggest trading partner following the United States and Japan. Currently, South Korea is the fifth largest trading partner for China, claiming 6.1 percent of its total trade.

Meanwhile, South Korean investments in China reached 2,128 million U.S. dollars in 2,332 cases as of the end of last may, about 19 percent of its total overseas investments and 41.4 percent of its overseas investment cases.

Former Thai Foreign Minister Arrives for Visit

*SK2208005495 Seoul YONHAP in English
0011 GMT 22 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — Former Thai Foreign Minister Krasae Chanawongse flew to Seoul Monday to discuss ways to enhance cooperative ties between South Korea and Thailand, a Foreign Ministry spokesman said Tuesday.

The former Thai foreign minister Monday met with Foreign Minister Kong No-myong on bilateral issues of concern, the spokesman said.

While in Seoul through Saturday, Chanawongse will meet with parliamentary leaders of the country and give a speech at the Institute of Foreign Affairs and National Security (IFANS) under the title "The Future Role of the United Nations."

He served as foreign minister of Thailand for five months from February 1995.

President Kim Reshuffles DLP Positions

SK2208023895 Seoul YONHAP in English 0218 GMT 22 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — Rep. Kang Sam-chae was appointed new secretary-general of the ruling Democratic Liberal Party (DLP) on Tuesday. President Kim Yong-sam carried out the reshuffle of the party hierarchy after appointing Rep. Kim Yun-hwan, former secretary-general, as party chairman Monday.

Meanwhile, Rep. Kim Chong-ho became chief policy-maker and Rep. Son Hak-kyu was named the party's new spokesman. Rep. So Chong-hwa (Inchon) was appointed floor leader while former Spokesman Rep. Pak Pom-chin became chief secretary of DLP President Kim Yong-sam.

Former Presidential (Chongwadae) Secretary for Political Affairs Yun Won-chung was appointed chief secretary to party Chairman Rep. Kim Yun-hwan.

However, the First State Minister for Political Affairs Kim Yong- ku retained his current post in the party.

In the reshuffle, it was considered extraordinary that Rep. Kang, only 43, was appointed to the party's most important post — secretary-general, political sources said.

Former Spokesman Rep. Pak Pom-chin commented that the appointment of a young secretary-general may help revitalize the party. He said, "The party also considered (a candidates) ability to conduct party affairs when selecting proper figures for posts."

After the reshuffle of major party leaders, the DLP also plans to eventually conduct additional reorganization among its lower postholders. The ruling party will hold a plenary lawmakers meeting on Tuesday afternoon to approve the changes.

Kim Yun-hwan Becomes Chairman

SK2108111995 Seoul YONHAP in English 0844 GMT 21 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 21 (YONHAP) — The ruling Democratic Liberal Party (DLP) elected Rep. Kim Yun-hwan as its new chairman at the party's National Committee meeting held Monday afternoon at the International Conference Room of the 63 Building in Yoido, Seoul.

At the meeting, Rep. Kim was first nominated as chairman by party President Kim Yong-sam, and then approved by more than 1,400 committee members.

Rep. Kim, a journalist-turned-politician, entered into politics in 1979 when he joined Yujong-hoe, a pro-government negotiating group in the National Assembly under the Pak Chong-hui government. Since then, he has maintained his affiliation with the ruling parties of former Presidents Chon Tu-hwan and No Tae-u.

President Kim will accept en masse resignations from other party officials before he discusses with Chairman Kim ways to reorganize the party's hierarchy.

President Kim will conduct the reorganization on Tuesday in an effort to prepare for next year's general elections.

The 1,412 National Committee members unanimously approved President Kim Yong-sam's decision to appoint Rep. Kim chairman of the party with a round of loud applause.

Rep. Kim said in his address that the DLP should become a party that conducts politics of great national reconciliation with such actions as those President Kim displayed on Aug. 15, the 50th anniversary of the nation's liberation from Japanese colonial rule.

"We should not create dividing politics or politics which create enemies on the basis of regional rivalries but a future-oriented and democratic politic base which unites people into one," he said.

He also said that the DLP should strongly and continuously push for change and reform.

Background Information on Chairman

SK2208022595 Seoul THE KOREA TIMES in English 22 Aug 95 p 2

[FBIS Transcribed Text] Kim Yun-hwan, 63, new chairman of the ruling Democratic Liberal Party [DLP], has been called a "kingmaker" for his role in getting President Kim Yong-sam the party's presidential nomination and persuading former president Chon Tu-hwan to hand power over to his life-long friend No Tae-u.

In 1992, Kim, then DLP secretary general, played the central role in mustering support of the majority Minjong faction for nominating DLP chairman Kim Yong-sam as the party's presidential candidate in a national convention.

Kim also played the role of a kingmaker for No, his classmate at prestigious Kyongbuk High School, in 1987 when he persuaded vacillating president Chon to name No, his classmate at the Korea Military Academy and then ruling party chairman, his successor.

Kim also played the role of a liaison official between Chon and No in the sensitive transitional period of transferring power.

A native of Sonsan, Kyongsang-pukto, Kim entered politics as a lawmaker of the Yujonghoe, a rubber-stamp floor group handpicked by late president Pak Chong-hui, in 1979 after winding up a 21-year career as a journalist.

His last position in journalism was managing editor of the conservative vernacular daily CHOSON ILBO. Kim also served as a correspondent in Tokyo and Washington for the daily.

Kim said he learned a lot about "dialogue and compromise," the trademark of Japanese politics, during his time as Tokyo correspondent.

Kim's skills in political brokering and arbitration received its acclaim whenever there were deadlocks in strife-marred-Korean politics and at times of the transfer of power.

This explains why Kim has served as the ruling party's secretary general and floor leader for two times each, and first state minister for political affairs three times.

His flamboyant political career, at the same time, provides much grounds for criticism from oppositionists.

Oppositionists label Kim as a seasoned politico who perennially basked in the favoritism of military dictators by currying favors with them.

Kim was even bashed by his colleague Rep. Yu Sung-hwan of the DLP, a member of the minority reformist Minju faction, as a "corrupt remnant of the past regimes."

Kim kept a low profile in the whirlwind of President Kim's bold reform drive in the early part of his presidential term.

From late 1994, Kim began to raise his voice, calling for a bigger role of a "new leading forces" within the ruling camp, which he later explained is a mix of reformist forces and experienced conservatives who brought about the economic miracle in the 1960s- 70s.

Kim's influence within the ruling camp grew rapidly after the DLP's crushing defeat in the June 27 local elections.

He was recalled to the forefront by President Kim who has apparently given him the mission to pacify the disgruntled T-K (Taegu-Kyongsang-pukto) clique and prepare for next years's general elections.

Kim called for a generational change in Korean politics, arguing that the so-called era of the three Kims — Kim Yong-sam, Kim Tae- chung and Kim Chong-pil — ended with the election of President Kim in 1992.

Yet, Kim admits that he is also one of the political figures who should make way for the next generation of able politicians, confining his role to perennial kingmaker.

But it remains to be seen whether he will be faithful to his, words or, unexpectedly, change his mind and try to become a king, instead of a kingmaker.

Opposition Criticizes Choice

SK2208011995 Seoul THE KOREA HERALD in English 22 Aug 95 p 2

[FBIS Transcribed Text] Opposition parties yesterday criticized the ruling Democratic Liberal Party (DLP) for selecting Rep. Kim Yun-hwan as its chairman.

The National Congress for New Politics (NCNP), which has recently emerged as the leading opposition party, said his chairmanship will not help reform the party drastically.

"Kim's selection as chairman only means a baton pass from one conservative figure to another," said Pak Chi-won, a spokesman of the new opposition party.

The NCNP spokesman also said that the new ruling party chairman will play only a limited role because President Kim Yong-sam is expected to tighten his grip on the party.

"By positioning Kim Yun-hwan as chairman, the ruling party failed to embrace the disgruntled voters in Taegu and North Kyongsang Province, who regard him as a betrayer," said the spokesman.

President Kim is believed to have assigned the chairman's post to Rep. Kim in his effort to build party harmony in preparation for the general election next April. Rep. Kim is from the rival Minjong faction.

Another opposition Democratic Party said that the ruling party ceased to pursue reform by appointing Rep. Kim, who worked under past authoritarian regimes, as its chairman.

"The Democratic Liberal Party is turning itself into an authoritarian party under a one-man rule," said party spokesman Yi Kyu-taek.

The splinter opposition United Liberal Democrats said that Rep. Kim's appointment as the ruling party chairman is making a fool of the people.

Article Views Selection

SK2208030895 Seoul THE KOREA TIMES in English 22 Aug 95 p 2

[By staff reporter Pak Sung-yong]

[FBIS Transcribed Text] The new leadership of the ruling Democratic Liberal Party [DLP] set sail yesterday with the election of secretary-general Kim Yun-hwan as new chairman of the government party, following his nomination by President Kim Yong- sam, also president of the party.

Political observers said that President Kim picked Rep. Kim, hoping he is "politically capable" of breaking through the serious situation his party faces since its humiliating defeat in the June 17 local elections.

"President Kim seems to have reached the conclusion that only Kim can handle the party's current situation by appeasing Minjong faction members who are complaining that the Minju group most favored by the President has monopolized all major party offices," a party official said.

A classmate of ex-president No Tae-u at Kyongbuk High School in Taegu, Kim is a leading figure in the so-called T-K group hailing from Taegu and the surrounding Kyongsang-pukto, which is strong in the Minjong faction of the DLP.

He is also well-known as a good negotiator. He stressed compromise and dialogue with opposition parties when he served as ruling party floor leader under the No government.

Observers said, however, it is still uncertain how much real power President Kim will give the No. 2 man in the DLP's hierarchy since the party revised its constitution to strengthen Kim's grip on its operation.

The revision of the constitution allows the party president to nominate the party's candidates for the next general elections. This permits President Kim to check the new party chairman from emerging as a figure strong enough to challenge him.

"Unlike former party chairman Yi Chun-ku, Kim has a number of followers mostly hailing from the T-K region," another party official said. "If President Kim gives him the whole power of party operation, it could make the President a lame duck by igniting a controversy over his successor."

In this sense, some observers expect President Kim to maintain strange relations with the new chairman, supporting him on one hand but placing a watchful eye on his moves on the other.

Chairman Kim seems well aware of this possibility. Although he once raised his voice, saying that he will not take the chairmanship if the post has no real power, he soon took a low profile when President Kim sent a warning message.

Furthermore, he made an oath of loyalty to President Kim during a recent visit to Taejon, the power base of former DLP chairman Kim Chong-pil, now president of the splinter United Liberal Democrats [ULD], claiming Kim JP [Chong-pil] and other opposition leader Kim Tae-chung wash their hand of politics.

A leading member of President Kim's Minju faction said, "The most serious concern the President has about chairman Kim is that he could join either Kim Chong-pil or Kim Tae-chung on the question of revising the Constitution to introduce the parliamentary Cabinet system."

He added that Kim Yun-hwan's attack on the two Kims in Taejon was apparently a move to brush aside President Kim's concern about him.

It is too early at the moment to know if the new DLP leadership represented by new chairman Kim will be retained until the National Assembly elections slated for next April, observers said.

They said, it first depends on if he succeeds in calming down the intra-party unrest caused by Minjong group members from the T-K region and Chungchong provinces which were swept by Kim Chong-pil's ULD in the last local polls.

Another factor concerning the duration of the new party leadership is how effectively he wards off the opposition barrage of assaults against the government and its party during the regular Assembly session which begins early next month, the observers said.

"If Kim smoothly resolves these two difficulties, he will be able to exercise significant power in nominating party candidates for the general elections," a member of the Minjong faction said.

Profile of DLP Officials

SK2208062895 Seoul YONHAP in English 0539 GMT 22 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — The following are profiles of holders of four major posts in the ruling Democratic Liberal Party (DLP) whose appointments were announced on Tuesday:

Kang Sam-chae, secretary-general

Rep. Kang, widely considered the forerunner of young and progressive forces in the ruling party, is known to be a man of astute and systematic thought, with an excellent ability to accomplish tasks he is assigned.

Although he belongs to the "Minju faction" loyal to President Kim Yong-sam, Kang is even favored by the "Minjong" factional members of the party because of his well-rounded and amicable character.

The 43-year-old journalist-turned-politician was previously a student activist under former President Pak Chong-hui and imprisoned for 14 months during the 1970s for anti-government activities.

Kang, born in Haman, South Kyongsang Province, was elected to the National Assembly from Masan, South Kyongsang Province, in the 1985 to become the youngest lawmaker at that time.

Elected three times to the National Assembly, Kang has actively supported reforms since the inauguration of the present civilian government in 1993.

So Chong-hwa, floor leader

Rep. So has been elected to the National Assembly three times since he joined the former ruling Democratic Justice Party.

So, 56, was born in Inchon and graduated from the Korea Military Academy.

He is known for being an open-hearted man and has a good reputation for accomplishing his work.

In addition, he played a major role as chief organizer during the former ruling party's victory in the 1985 parliamentary and 1987 presidential elections.

During last June's local polls, Rep. So devoted himself to getting Choe Ki-son elected mayor of Inchon.

So's new position is the first major post he has been assigned since he joined the political circle, although he formerly served as deputy floor leader immediately after the present DLP was established in 1991 after three political parties merged.

Kim Chong-ho, policy committee chairman

Born in Koesan County, North Chungchong Province, Kim graduated from the College of Law at Seoul National University. Before he was elected to parliament in 1980, he had served at the Home Ministry starting from the lowest rank and finishing with the highest, minister.

A four-time elected parliamentarian, Kim, 60, served as the ruling party's floor leader in the Sixth Republic.

In the Kim Yong-sam government, he helped President Kim implement the real-name financial transaction system as policy committee chairman of the ruling party in 1993. Thus, he was named the party's chief policymaker for the second time Tuesday.

He has three sons and two daughters with his wife, Han In-su, 55.

Son Hak-kyu, spokesman

Spending his youthful days as an activist first in student movements and then in democratic movements, Son, 49, was elected to the National Assembly on the ruling party's ticket in a by-election for Kwangmyong city in 1993.

In addition, he helped Chon Chae-hui win the Kwangmyong mayoral election on the ruling party's ticket last June.

Born in Milyang County, South Kyongsang Province, he studied political science at Seoul National University and Oxford University in England. He taught at Sogang University before entering politics.

He has two daughters with his wife, Yi Yun-yong.

DLP Reshuffle 'Pushing for' Generational Shift

SK2208100295 Seoul YONHAP in English 0810 GMT 22 Aug 95

["News Analysis" by Kim Tae-yong: "Reshuffle Shows DLP Is Pushing for Generational Shift"]

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — Tuesday's reshuffle of the ruling Democratic Liberal Party (DLP) hierarchy shows that the party is adamantly pushing for a generational shift in its leadership as well as for victory in next year's general elections.

President Kim Yong-sam appointed Rep. Kang Sam-chae, 43, as the party's new secretary-general, an unexpected choice because South Korean political parties have never seen such a young politician in such a high-ranking post before.

Former DLP Spokesman Rep. Pak Pom-chin explained that Kang's appointment is an attempt to revitalize the party with young blood, suggesting that the reshuffle reflected President Kim's will to create a generational shift in politics — which also means retirement for opposition chiefs Kim Tae-chung and Kim Chong-pil.

Kang's predecessor Rep. Kim Yun-whan is 63, while Rep. Kim Tok-yong before him is 55.

However, the reshuffle can also be considered as showing the president's will to directly manage the party since Rep. Kang belongs to the "Minju" [Democratic] faction, whose members have been close aides since President Kim's struggles against the former military governments.

Thus, it is possible President Kim may nominate the party's parliamentary candidates for the 15th general elections slated for next April through the young secretary-general, political analysts expected.

What makes this analysis very plausible is that the president has recently said a number of times that he will "directly manage the party from now on."

Rep. Son Hak-kyu, 49, who was named the party's new spokesman also belongs to the Minju faction.

However, for the posts of floor leader, chief policymaker and others, the president appointed members of the "Minjong" [Democratic Justice] faction whose members remain loyal to former ruling party presidents Pak Chong-hui, Chon Tu-hwan and No Tae-u.

Prior to making his nominations, some analysts predicted that the president might exclude Minjong faction members from major posts, but this wasn't the case. After the appointments, analysts added that the president could not have overlooked them because he has to consider "regional emotions" if he expects to be victorious in the upcoming general elections.

The ruling DLP was defeated in the June 27 local elections and the results appeared mainly divided along regional lines.

So the president needed to consider the regional sentiments that surfaced in the local elections, especially if he wished to regain the support of the people in Taegu city and North Kyongsang Province, the native regions of three former presidents.

Analysts said that is why the president appointed Rep. Kim Yun-whan, a journalist-turned-politician from the Taegu-North Kyongsang area, as party chairman.

Meanwhile, new chief policymaker Rep. Kim Chong-ho is from Koesan, North Chungchong Province, while Rep. So Chong-hwa, floor leader, and spokesman Rep. Son Hak-kyu are from Inchon and Kwangmyong cities, respectively.

Analysts said the new chief policymaker is expected to help the ruling party win the general elections in the Chungchong Province, where Kim Chong-pil's United Liberal Democrats (ULD) made a strong showing in the recent local elections.

Reps. So and Son are also expected to help the DLP win the support of the people in the metropolitan and Kyonggi Province areas.

However, analysts said it remains to be seen whether or not this kind of regional representation by party post holders will be effective in the upcoming elections.

President Promotes 'Politics of National Unity'

SK2108115695 Seoul YONHAP in English 0836 GMT 21 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 21 (YONHAP) — President Kim Yong-sam proclaimed Monday that his Democratic Liberal Party (DLP) will pursue "great politics of national unity and grand harmony" through reforms in cooperation with the people.

"The ruling party will be reborn through reforms to be pursued together with the people," declared the president in a speech delivered to the DLP's national committee meeting held in the international conference hall at the 63 building in Seoul.

He said the government will provide momentum, through government measures, that will start all the people anew by conducting a sweeping general amnesty, during the forthcoming regular National Assembly session, for over 10 million people.

"By taking such clemency measures by the government, I mean to bring about national unity and grand harmony and, by doing so, move on to genuinely great politics," Kim said.

Noting that the people are expecting the ruling party to start anew with a fresh appearance, Kim asserted that the DLP should be a political party which creates history, not a party which is dragged [down] by it.

He said he will involve himself directly in ruling party affairs as the party's president.

Pointing out that the DLP did not win the June 27 local elections, Kim said, "we should make a new start based on the humble reflection of our election defeat."

"We should accept it as the will of the people," he declared, adding, "the DLP's defeat in the local polls resulted from my lack of virtue."

President Kim called on all party members to admit young and competent people to the party in order to make it a great one where the young and the old can work together.

The party should not forget its historic mission, to build a first-class nation of the world for "our next generation," he stressed.

He said the DLP should use its recent defeat in the local elections as a turning point and make a new start, adding that a full and reflective examination of its past defeat would bring about a victory in the coming elections.

He reiterated his policy of not tolerating irregularities or corruption in the future, saying his call for the party's grand union does not mean he will relax this promise.

Touching on inter-Korean relations, the ruling party leader hoped that North Korea stabilizes as soon as possible and come out to the open community. He made the remarks, saying, "what is evident is that the North is facing a very difficult situation."

Kim urged the North Korean authorities to comply with inter- Korean dialogues in order to achieve peace on the Korean peninsula.

"The North Korean issue should be handled with much patience. A nation which has been coercively united will surely be divided, and a nation which has been forcibly divided will surely be united," said Kim, stressing that the government is mapping out several scenarios to cope with all eventualities.

Turning to military reform, the president said, "because I thought, at the time [of] my inauguration, Hana-hoe (a private club of Korean military academy graduates on active duty) to be the most important object of reform, I removed politically-oriented soldiers first and foremost.

"I carried out the reform as there could be no national stability without the firm establishment and prerogative of supreme command, which is a duty of the president," Kim added.

Politicians Not To Attend President's Luncheon

SK2208031095 Seoul YONHAP in English 0215 GMT 22 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — President Kim Chong-pil and advisor Pak Chun-kyu of the United Liberal Democrats (ULD) will not attend the luncheon President Kim Yong-sam will host for leaders from all walks of life at Chongwadae Wednesday.

Spokesman An Sung-yul of the opposition party said Kim and Pak would not attend the Chongwadae meeting because of previous appointments.

First Minister for Political Affairs Kim Yong-ku made calls to Kim and Pak Monday, inviting them to the luncheon on behalf of President Kim, but both ULD leaders did not immediately confirm they would attend, An added.

Kim Tae-chung To Attend President's Luncheon

SK2208034195 Seoul YONHAP in English 0257 GMT 22 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — President Kim Yong-sam will meet with Kim Tae-chung, chairman of the inaugural preparation committee for the National Congress for New Politics (NCNP), at Chongwadae [presidential offices] Wednesday to exchange views on the future of the nation's administration, including the pursuit of national harmony, on the occasion of the 50th anniversary of the country's liberation from Japanese rule.

The meeting will take place during a luncheon the chief executive will host at the presidential mansion on behalf of 29 leaders from various walks of life for the purpose of reviewing the significance of the nation's 50th anniversary of liberation and to solicit their cooperation in governing the country.

Also invited to the luncheon are Democratic Liberal Party Chairman Kim Yun-hwan, United Liberal Democratic [ULD] President Kim Chong-pil, Democratic Party [DP] President Yi Ki-taek, the incumbent and former National Assembly speakers, chief justices, prime ministers, constitutional court chief justices and former opposition party leaders. In addition, Kim Sung-kon, chairman of the Association of Independence Fighters, and Kim Ki-su, chairman of the Association of Meritorious Service for Independence Fighters, are also invited.

Commenting on the invitation extended to Kim Tae-chung, NCNP Spokesman Pak Chi-won said, "First State Minister for Political Affairs Kim Yong-ku conveyed to Chairman Kim the invitation Monday to attend the luncheon celebrating the successful execution of events commemorating the 50th anniversary of the nation's liberation. Chairman Kim has accepted the presidential invitation as it involves a government event of a national nature."

The encounter between the two Kims will be the first of its kind in three years since August 1992 when they met at the National Assembly as ruling and opposition party leaders prior to the 14th presidential elections.

Explaining the background of the gathering, Senior Presidential Spokesman Yun Yo-chun said, "The occasion is meaningful in that President Kim is meeting with elder leaders from various walks of life at the beginning of the second half of his presidential tenure. The luncheon, originally scheduled for Aug. 17 or 18, had been delayed due to Justice Minister Yun Kwan's China visit."

Asked if there is any plan for President Kim to confer with Kim Tae-chung separately following the luncheon, Yun replied, "Neither a separate meeting nor any special courtesy has been planned."

Though it is not an exclusive meeting, the contact between the two Kims, however, is drawing attention as it will be the first official time the presidential office will recognize the political status of Kim Tae-chung as the leader of the national congress for new politics, which is set to be inaugurated in the near future. Chongwadae has not recognized Kim Tae-chung's political status since the 14th presidential elections and his self-imposed political retirement after he lost that race.

All ruling and opposition party representatives including newly-appointed DLP Chairman Kim Yun-hwan, ULD President Kim Chong-pil and DP President Yi Ki-taek, as well as Kim Tae-chung, will gather together Wednesday at the invitation of President Kim while political circles are undergoing a process of reorganization in the wake of the June 27 local elections.

In this respect, more significance is being given to the gathering itself than to the content of their talks. Their get- together is also expected to contribute toward normalizing the political situation.

The political leaders' meeting with the chief executive included, though it is joined by former opposition leaders and elders from various walks of life as well as by representatives from all three branches of government, carries political significance in that it is the first of its kind since the inauguration in 1993 of the incumbent government and because it comes at the threshold of the second half of Kim Yong-sam's presidential term in office.

Kim Chong-pil Reaffirms Run for President

SK2108074695 Seoul YONHAP in English
0635 GMT 21 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 21 (YONHAP) — Chairman of the United Liberal Democrats (ULD) Kim Chong-pil reaffirmed his intention to run for president in 1997 while commenting on the government's structure.

At a press conference held at the ULD building on Monday, Kim said, "I'll strive to achieve a cabinet system of government until the presidential election, but if circumstances are against it, I'll prepare for the election from a party dimension."

"As it will take considerable time for the people to understand the cabinet system of government, we will have to manage with the current system until a cabinet system can be realized," he said.

Kim's remarks came after Kim Tae-chung, chairman of the embryonic National Congress for New Politics (NCNP), announced his support for a presidential system of government on Saturday.

Asked to comment on Kim Tae-chung's position on the government's structure, the ULD chairman opined, "It's up to him whether he will choose a presidential or cabinet system or not.

"(But) I would not use my party as a means to gain the presidency," said Kim Chong-pil, apparently censuring Kim Tae- chung's wavering stance on a government system.

Commenting on the NCNP chairman's remarks that he will not run for president if the people do not want him after next year's general election, the ULD chairman asked, "How can the people's will be measured?"

DP Leadership Agrees To Adopt Cochairmanship

SK2208020895 Seoul YONHAP in English
0101 GMT 22 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — The internal strife over the leadership issue within the opposition Democratic Party (DP) appears to be coming under control as rival factions have agreed to temporarily adopt a co-chairmanship with two leaders equally representing the party.

The new leadership system was agreed to at a meeting held Monday evening between key members from both factions, where they decided to administer the party under the leadership of two co-chairmen — incumbent DP President Yi Ki-taek and Vice President Kim Won-ki — until Dec. 15, when a full-fledged leadership system will be adopted at its national convention.

The key members' meeting held at the party's headquarters in Seoul were represented by Reps. Kang Chang-song and Kang Su-rim from DP President Yi's side and by DP Vice President No Mu-hyon and Rep. Che Chong-ku from Vice President Kim's faction.

The rival factions also agreed to push for political integration with other "democratic and civic forces" in the country, such as the citizens' alliance for political reform, said No Mu-hyon and Kang Su-rim after the meeting.

However, both camps of the opposition party are still at odds over the issue concerning the ratio of major posts to be shared by each faction.

DP President Yi's faction reportedly insisted on a six to four ratio in its favor with regard to major posts of the party, while Rep. Kim's faction demanded for an equal share of the major posts.

Meanwhile, the opposition party has turned into a minor party as a most of its members defected to a new political party, the National Congress for New Politics (NCNP), being created by Kim Tae-chung.

Former Minister Yi Accused of Perjury

SK1808124495 Seoul YONHAP in English
1159 GMT 18 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — An opposition legislator claimed Friday former

Defense Minister Yi Pyong-tae made a false statement last year in connection with the existence of recorded tapes containing telephone talks among senior military officers during the critical hours of the Dec. 12 military rebellion.

Rep. Cho Sun-hyong of the National Congress for New Politics [NCNP] said Friday Yi's perjury was made known through the disclosure of such recorded tapes Thursday.

"Former Minister Yi who made perjury should be held duly responsible," Cho said.

In an unsolicited press conference at the NCNP office, Cho said he would study the issue of whether to sue him on perjury charges during the coming regular assembly session.

Citing assembly minutes, Cho said Yi asserted during a parliamentary inspection last September that "it is not true that the Defense Security Command eavesdropped telephone conversations of senior military officers."

The disclosure of the recorded tapes substantiates what Yi said in his testimony was a false statement, Cho said.

Female Students Booked on Suspicion of Arson

SK2108143895 Seoul YONHAP in English
1140 GMT 21 Aug 95

[FBIS Transcribed Text] Yong-in, Aug. 21 (YONHAP) — The police, probing the arson early Monday morning at a women's technical school near here, booked 17 schoolers on suspicion of conspiring or otherwise getting involved in the arson that left 37 girls dead.

Five of them were placed under arrest after they admitted to setting fire to the school dormitory.

A police source said the police suspect about 10 additional girls including five to six among the deads took part in the arson.

A preliminary police investigation showed the conspirers met at dormitory rooms around 2 pm Sunday and resolved to set fire to their dormitory and escape from the school in an ensuing confusion.

They were dissatisfied at "excessive" chores assigned to them and rigid control of their leaves and use of telephone by school authorities, the source said.

Brunei, Malaysia & Singapore

Malaysia

Further Official Criticism of UN Bosnia Policy

Defense Minister Comments

BK2108113095 Kuala Lumpur THE STAR in English 21 Aug 95

[Received via Internet]

[FBIS Transcribed Text] Johor Baru — Malaysia no longer trusts a United Nations' assurance that Gorazde, a safe haven in Bosnia- Herzegovina, will be protected following planned withdrawal of peacekeeping troops from the area. "The same assurances were given to other safe havens, including Srebrenica, which later ended in genocide and atrocities," said Defence Minister Syed Hamid Albar.

He said the United Nations should stop talking and force the Serbs to the negotiating table. He added that there were political and military solutions to the problem and both require the United Nations to implement them. He was commenting on a statement by UN spokesman Alexander Ivanko that the world body would be present in Gorazde and that a decision would be made soon on who would replace the British and Ukrainian forces there.

The UN mission also announced that 90 Ukrainian and 180 British peacekeepers in the Gorazde pocket would be withdrawn by middle of next month, leaving behind a small force of military observers and forward air controllers.

Syed Hamid said the United Nations had set a bad example to other countries as it gave the impression that the world body was powerless by allowing a small nation to be destroyed without allowing its people a chance to defend themselves.

Deputy Premier: UN Plan 'Shameful'

BK2108135895 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 21 Aug 95

[FBIS Translated Text] The UN plan to withdraw its peacekeeping force from Goradze in eastern Bosnia shows the world body's inability to deal with the crisis in the former Yugoslav state. Deputy Prime Minister Datuk Sri Anwar Ibrahim described the UN plan as shameful:

[Begin Anwar Ibrahim recording, in English] In fact, this morning I was talking to the prime minister, and he will pursue this issue and, hopefully, convey his views to some leaders from the Third World and also from some friendly parties in other parts of the world — Muslim countries and other countries — in order to suggest a speedy resolution to the conflict, which is not going to be easy because the United Nations has been given a mandate and they have just utterly neglected and abdicated their responsibility. [end recording]

The United Nations plans to withdraw nearly 300 Ukrainian and British peacekeepers stationed in Goradze, one of the safe havens in Bosnia. The world body has asked the countries grouped in the Organization of the Islamic Conference to send troops to replace the peacekeepers. Malaysia rejected the UN request to send 10 soldiers because it saw the request as a ploy. Malaysia believes this is not the way to solve the conflict in that country. Malaysia now has 1,533 troops serving in Bosnia.

Reaction to U.S. Withdrawal of GSP Status

Minister: Exports Unaffected

BK1908103195 Kuala Lumpur UTUSAN MALAYSIA in Malay 19 Aug 95 p 12

[FBIS Translated Excerpt] Kuala Lumpur 18 Aug — Malaysia, a beneficiary of the GSP [Generalized System of Preferences] program, will have no difficulty in marketing its goods to the United States when the GSP status is withdrawn on 1 January 1997.

Datuk Sri Rafidah Aziz, minister of international trade and industry, said in the past, high quality Malaysian manufactured goods such as rubber gloves used to be in popular demand and well accepted in the U.S. market. "The main thing is for Malaysian manufacturers to be ready to produce high quality goods and if the GSP status is withdrawn, there will be no problem for them, she told journalists at a Meet the People session in Padang Changkat village, near here, yesterday.

She explained that the majority of the local people and foreigners, had some time ago, orientated themselves to face the situation following the U.S. withdrawal of GSP privileges from Malaysia. "They have stepped up the sharing of information on competitiveness and on ways to overcome problems that might occur after the withrawal of the trade privileges.

"Four or five years ago the government reminded them to eliminate the element of GSP in their trade management," she added. [passage omitted on meetings to be held with companies to discuss GSP]

Rafidah said that if Malaysian goods exported to the United States no longer received the GSP treatment, buyers in that country would have to buy them at higher prices. "If we can reduce the production cost and wastage, and improve efficiency, our goods can be sold at an equal rate even after the withdrawal of the GSP," she added.

She is confident that the market for Malaysian goods will not be affected by the GSP withdrawal even though they will have to compete with those from countries that are still enjoying the GSP status. [passage omitted on construction of village community hall]

Article Views Possible Impact

BK2108122195 Kuala Lumpur THE STAR in English 21 Aug 95

[Article by J. Vong — received via Internet]

[FBIS Transcribed Text] Official United States thinking is that Malaysia should be graduated from its Generalised Scheme of Preferences (GSP) from Jan 1, 1997 in view of its growing economic success. Malaysia is currently the largest beneficiary of the US-based GSP scheme, accounting for almost 27 per cent of the total benefits accorded in the past year.

Initial response from our Government is that the United States is not consistent in the application of its own rules. As the donor country, the United States has in the past generally applied US$8,600 per capita income as the mark-off point before a country becomes ineligible. Malaysia's current per capita income is slightly less than half the US limit for eligibility.

Political considerations aside, it is vital to consider and assess the proposed economic impact of the US move. Removal of preferential treatment for Malaysian goods will affect the selling price of goods into the United States by up to 5 per cent.

Depending on the industry, the impact can range from negligible to significant, especially where the export of goods is for commodity-like items such as electronic components.

The greatest and most direct impact resulting from the removal of GSP status on Malaysia will be on multinational companies (MNCs) operating in Malaysia. The electronics manufacturing sector will be the most affected. And the majority of electronic MNCs operating in Malaysia are American companies.

The biggest short to medium term impact on the local economy will be in terms of local employment by the affected MNCs and the related supporting industries should the multinational majors decide to pull out or relocate.

Although the electronics sector is the country's largest exporter, it is also the largest importer. The net effect of the equation is that the sector as a whole will run an annual trade deficit for the country.

The electronics sector trade deficit is due primarily to the deliberate and planned imbalance of value-added activities being carried out by the electronic MNCs and a lack of presence and strength on the part of the local electronics sector.

There must be no mistaking that the MNCs are here for the purpose of lowering their unit production costs to enable them to compete globally. Promoting local national aspirations is a "by the way issue and not part of their fixed agenda."

The MNCs will to a certain extent adjust their product mix to maximise their local comparative advantages and cost of operating in this country. And without doubt, the MNCs will leave if they are unable to operate profitably.

In this strictly business relationship with the MNCs, it is pointless to explain to them our national economic aspirations. What the national planners must do at this stage of our economic development is to examine if the local pool of labour currently utilised by the American MNCs can be channelled and lured into more productive use, resulting in a net trade surplus rather than a deficiency.

We must acknowledge the lack of official focus, inadequate local technological strength and misdirection of local banking support to promote local enterprise in this vital sector.

Taiwan, which started at about the same time as Malaysia, did in the late 60s and the early 70s in attracting electronic chips and components manufacturers has achieved global eminence in the electronics sector. What did they do which we did not do?

It is the right of the United States to give as a donor and withdraw when it wishes to. Malaysia should graciously accept the decision as an acknowledgment of our own progress and the price which we have to pay for joining the ranks of the more developed.

The withdrawal of GSP privileges should spur Malaysia on to an even faster rate of development to deepen and to consolidate its economy so as to realise its economic independence.

The future basis for American MNCs wanting to operate in Malaysia should be their attraction to and desire to be part of a region which has a stable and profitable market of 500 million people operating in a progressive, prosperous and largely self-sustaining economic zone.

The Trade Minister has pointed out that the majority of the SMIs [small- and medium-scale industries] will not be affected by the US move. This only attests to the right policies pursued in the past and present to promote the SMIs.

The SMIs have given much greater depth and breadth to the local manufacturing sector and expanded the traditional mining and plantation-based economy.

The announced plans to further promote the SMI concepts of clustering to achieve agglomerated economies of scale along specific industry-groupings are moves in the right direction.

What is perhaps also timely is for the Trade Minister to expand the scope of SMIs to include all forms of enterprises and promote the wider concept of SMEs (small and medium-scale enterprises).

It must be appreciated that for local manufacturing to be established as a vibrant and viable sector within the local economy, there will be a rising consumption of manufacturing support services of all kinds.

Hence, concurrent official support for other forms of enterprises is vital to achieve much higher levels of manufacturing competitiveness and excellence.

What matters now is a faster rate to accelerate and to deepen Malaysia's economic profile. The authorities will now have a duty to ensure that the right credit expansion policies are pursued and maintain constant surveillance over privatisation programmes to ensure that they will not introduce excessive cost increases into the local economy.

AFL-CIO Campaign Reviewed

BK2208065595 Kuala Lumpur THE STAR in English 21 Aug 95

[Report by Leanos Fernandez — received via internet]

[FBIS Transcribed Text] Malaysia's problems with the GSP [Generalised System of Preferences] began in 1988 when the largest American trade union — the American Federation of Labour and Congress of Industrial Organisations (AFL-CIO) — initiated petitions to have Malaysia withdrawn from the US aid programme.

In every claim it presented to the US Trade Representative [USTR], the main grouse was the refusal of the Malaysian Government to allow workers in the country's electronics industry to have a union of their choice.

The AFL-CIO has so far made three strongly-worded representations to the USTR Office and while the first two failed miserably, the third one (in June, 1993) appeared to have had some "influence" on the present Democratic Administration which unlike the Republican block is given to heeding trade union views.

In its third bid to revoke Malaysia's GSP status, the AFL-CIO it seems was advised to approach the whole matter of Malaysia's case by submitting a text which should "in the main be different yet pertinent."

Having got nowhere with the persistent charges of violations of workers rights, it hit on a plan which came up with more "plausible" reasons to revoke Malaysia's GSP. So, in June 1993, when it fired its last salvo, the AFL-CIO cited two completely "new grounds" — Malaysia's phenomenal economic growth and the country's shift towards high-tech industries.

A senior representative of the union was in the country in May, 1993 to do an "on-the-spot" evaluation of both economic and trade union matters, which produced the picture of economic prosperity and the country's plans to move on to high-tech industries.

Of course, the labour rights situation was also part of the study, the findings of which unlike in previous submissions occupied a "secondary position" when the AFL-CIO filed its petition in 1993.

Following the AFL-CIO's petition, Malaysians were "given the runaround" for almost two years, and then in a four-para news release, America's chief trade negotiator, US Trade Representative Mickey Kantor said his piece last Tuesday.

It was perhaps inadvertently couched in almost the same text as that of the AFL-CIO's: "Malaysia is clearly a world class producer of the products that it ships under the GSP programme... and it is to be congratulated for its economic success."

How different were his words from the insistence of the AFL-CIO's petition that "there is overwhelming evidence to show that Malaysia's phenomenal economic growth was reason enough for the removal of the GSP status usually reserved for countries with low growth rates"; and "Emphasis in Malaysia was currently on high technology projects rather than on labour intensive industries."?

Labour union representatives were not the only ones who gave glowing reports of the country's prosperity.

Former US Ambassador to Malaysia John Wolf went on record to say early this year that US exports to Malaysia accounted for about RM17.5 billion [Malaysian currency] while Malaysia's exports to the United States amounted to about RM33 billion. "In fact, Malaysia is now widely regarded by the United States as one of the leading and most successful countries among the developing nations," Wolf said.

The praise was followed immediately by a dismal forecast. Wolf said that because of Malaysia's remarkable economic success, especially in industrialisation and in adopting new technologies, there was a possibility that the United States might withdraw the GSP privileges.

While Kantor might have strived to be as objective as possible when making his recommendation to US President Bill Clinton on Malaysia's case, he could never have done so without considering the new grounds cited by the AFL-CIO, a major voting block with a membership of nearly 14 million.

True, the AFL-CIO does get in the hair of the Clinton Administration as it did during negotiations on the North American Free Trade Agreement, but it remains a staunch ally of a US president desperate for friends in the light of Congress elections in November.

Kantor being the adroit diplomat he is, did his utmost to "soften the blow" by showering a heap of commendations as he made his fateful announcement.

The Malaysian Government has received both commendations and the decision to phase out the country's GSP status with a lot of scepticism.

And why not?

For, while the country has been receiving all kinds of appraisals from the likes of Kantor and Wolf, (latest addition being August "Gus" Schumacher, from the US Foreign Agricultural Service), it knows it still has "miles and miles to go", to use the American poet Robert Frost's expression.

Malaysia is still not within the per capita income threshold for mandatory graduation from the GSP.

The country's per capita income, at US$3,440 (RM8,660), remains well below the US$8,600 (RM21,156) threshold for mandatory graduation proposed under the new GSP scheme. The previous threshold was US$11,800 (RM29,000).

The US President decided on Jan 29, 1988 to "graduate" (i.e. remove) four participants — Hong Kong, South Korea, Taiwan and Singapore.

Exporters Urged To Seek New Markets

BK2208103495 Kuala Lumpur THE STAR in English 22 Aug 95

[Comment by V.K. Chin — received via internet"]

[FBIS Transcribed Text] Malaysian exporters will have to review their marketing strategy now that the United States is likely to phase out Malaysia's Generalised System of Preferences [GSP] by January 1, 1997. Though U.S. Trade Representative Mickey Kantor announced last week that he would recommend this to President Bill Clinton, one can assume that this will definitely come about by then.

Local businessmen may feel that Malaysia should appeal against the decision since it is unfair they should be penalised as the action may be deemed premature. One of the rules governing the withdrawal of the GSP privilege is that the country's per capita income must reach U.S.$8,000 (RM [Malaysian ringgit] 19,200) first.

But the latest statistics show that Malaysia has not even reached the half-way mark. However, every government has the right to make such a decision even if it is not in conformity with the rules laid down for the programme. It is good that the Malaysian government has decided not to appeal against the latest U.S. action.

The GSP privilege is not a permanent feature and it is only a matter of time before it will be taken away. Eventually, Malaysian exporters will have to face the same treatment from other developed nations.

The removal will definitely affect some of the local exporters whose products are sold in the American market. There is no doubt that the U.S. remains a key market.

It is not only big but rich as well. While it is going to be a major buyer of foreign products, it is no longer the only one as others have also caught up as their economies grow and the people have greater purchasing power.

Still, a sale is a sale and it does not matter who is buying your products. In a way, Malaysian exporters are spoilt. They prefer to stick to safe traditional markets.

The U.S. and other European countries are good centres to do business with as they have modern facilities. But such markets become more competitive as exporters from other developing countries move in.

The first person to realise that Malaysians cannot rely entirely on Western markets is Prime Minister Datuk Sri Dr. Mahathir Mohamed. He literally had to take the businessmen by the hand as he travelled to Third World countries where few Malaysians had gone before.

South America, Africa and the more remote parts of Asia became more familiar to the businessmen as they followed Dr. Mahathir on his frequent visits to these off-the-beaten-path destinations where Malaysians were concerned.

The GSP privilege is nothing more than a trade handout from the developed to the developing countries. As long as you accept such assistance, you will be considered the under-privileged or a member of the deprived group.

Malaysia is certainly not in this category. The loss will have some immediate impact on some industries but it would be pointless to moan over their plight. It is better for them to sit down with the Ministry of International Trade and Industry officials to work out a plan which will overcome their difficulties.

Commentary Notes Continuing Palm Oil Campaign

BK1808095895 Kuala Lumpur Voice of Malaysia in English 0810 GMT 18 Aug 95

[Station commentary]

[FBIS Transcribed Text] Malaysia will continue fighting against the anti-palm oil campaign to the best of its ability, despite being victimized by the major edible oil producers. Malaysia has no choice in this matter, as the American Soybean Association, ASA, has seriously launched negative campaigns against palm oil since 1987. Since then Malaysia had conducted more than 100 studies which confirmed that palm oil is a versatile nutritional oil.

At one point, due to the campaigns, the Government of Nepal had considered introducing a new legislation in its parliament to ban the imports of palm oil from Malaysia. However, Nepal has abandoned its decision to stop the imports following a successful bid by a Malaysian palm oil team to convince the country otherwise. The news came just a week after Malaysia sent a palm oil delegation comprising officials from the Primary Industries Ministry, Palm Oil Research Institute of Malaysia, PORIM, and the Malaysian Palm Oil Promotion Council to clear any misconception about the product. Actually, Malaysia could also resort to negative campaigns against soybean oil producers. This is because studies have shown that the hydrogenation process of soybean into margarine and shortening changed the character of the oil to worse than animal fat. This means the oil has very high cholesterol content compared with palm oil, which is naturally hydrogenatic and does not need to undergo such process.

The latest ASA's smear campaign against palm oil is targeted against small countries influencing them to reject the product for health reasons. Such a campaign is nothing new as Malaysia had encountered similar problems with Iran and Pakistan sometime back. As such, it will have any bearing on Malaysia's position as the world's leading producer of palm oil. This is because Malaysia is expected to produce 7.9 million tons this year — an increase of 8 percent over that of last year. Malaysia was the world's largest producer and exporter last year contributing 56 percent to the world's total production and 64 percent of total exports. However, it must be remembered that Malaysia's competitors will continue to strive to increase their production. But Malaysia could remain at the top if it could successfully apply new and better technologies. Such effort is very important, as it is a part of successfully fighting and winning the anti-palm oil campaign launched by ASA eight years. The war is still not over yet. On the whole, Malaysia's counter offensive about palm oil's nutritional value had managed to convince the professionals, especially dietitians, nutritionists and doctors. But many Americans still believe ASA's claim that palm oil increases the risk of cardiovascular disease. More aggressive reports need to be introduced to convince the ordinary American citizens that palm oil is in fact rich in vitamin E and requires no hydrogenation in product formulation.

Minister Plans To Buy 2 Corvettes From Italy

BK1808093995 Kuala Lumpur NEW STRAITS TIMES in English 16 Aug 95 p 2

[Report by Adrian David]

[FBIS Transcribed Text] Kuala Lumpur, Tues.—Malaysia will buy two corvettes, orginally built for Iraq by an Italian shipyard more than three years ago for the Royal Malaysian Navy (RMN), Defence Minister Datuk Syed Hamid Albar announced today.

He declined to disclose the price of the corvettes but said the ministry was negotiating a package deal, including the weapons and support systems and training of RMN personnel, with the Italian shipyard, Fincantieri.

This is a straight deal. Once the negotiations are over, we will send RMN personnel for training and operational familiarisation of the ships," said Syed Hamid. He told newsmen this after receiving a courtesy call from South African Army chief Lieutenant General Reginald Otto at his office in Jalan Padang Tembak.

Fincantieri built the four corvettes — Abdulla Ben Abi Sarh, Khalid Ibn Al Walid, Saad Ibn Abi Waccade and Salah Ad Deen Al Ayoori — which was commissioned into the Iraqi Navy in 1992.

However, due to the United Nations trade embargo following the 1991-92 Gulf War after Iraq invaded Kuwait, the four corvettes were retained by Italy with no payments made by Iraq.

Two of the corvettes, each of which can accommodate a crew of 51, were reportedly sold to Morocco in 1992 and 1993. Iraq still operates another two corvettes, also built by Fincantieri. They are the Assad class Musa Ben Nussair and Taraq Ibn Zaid which were delivered in September and October 1986, respectively.

Both are learnt to be equipped with various armaments, navigational, sonar and radar equipment and can carry an Augusta AS 212 helicopter.

Syed Hamid said the two Italian corvettes being procured for the RMN will complement its fleet of two German built FS 1500 class vessels, KD [Royal Ship] Kasturi and KD Lekir. Both 1,500-ton corvettes, built by Howaldtswerke in Kiel, Germany were commissioned into the RMN in August 1984.

The RMN corvettes have a helicopter deck for the Westland Wasp HAS 1, and have an array of armaments including the Aerospatiale MM38 Exocet surface-to-surface missile, a Creusot-Loire 100mm anti- aircraft gun, one Bofors 57mm anti-aircraft gun and four Emerson Electric 30mm heavy machine guns; one Bofors 375mm mortar launcher; radar interceptor and jammer countermeasure equipment; surface-to- air radar and one Atlas Elektronik sonar.

On Otto's visit, Syed Hamid said he was on a familiarisation tour here to assess and discuss various issues pertaining to defence planning, technology and equipment procurement, personnel training, and the exchange of military intelligence.

"South Africa is particularly keen on learning our jungle warfare training and operations," he said, adding his Ministry would reciprocate Otto's visit soon.

On South Africa's offer of defence equipment, including electronic warfare, Syed Hamid said: "We will study the offer to see if it is suitable and within our budget."

Otto, 52, who arrived here yesterday for a four-day visit, assumed the top Army post in January this year. He also met Armed Forces chief Jen [General] Tan Sri Ismail Omar and Army chief Jen Datuk Che Mohamed Noor Mat Arshad.

Singapore

Foreign Affairs Official on Need for UN Reform

BK1908115695 Singapore Radio Corporation of Singapore in English 1000 GMT 19 Aug 95

[FBIS Transcribed Text] Second Minister for Foreign Affairs Lim Hng Kiang says the reform of the United Nations to meet new challenges is overdue, as he believes the reforms will clamored out only when the UN reaches the brink of financial collapse. Mr. Lim made the point at a UN seminar organized by the People's Association Youth Movement and the UN Association of Singapore. He added that for reform to be effective, issues such as a criteria and the scope for UN intervention must be addressed. Mr. Lim, however, stressed that despite its imperfection, the world body remains the only universal system for maintaining world peace.

Cambodia

Ranariddh Urges Unity Among 3 Ruling Parties

BK2208112195 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 21-22 Aug 95 pp 1, 2

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, has said that, if the three parties in the present coalition government agree to sign a pact and join hands to build and develop the country from now on, they will certainly win the 1998 elections.

Prince Krompreah Norodom Ranariddh said this in a meeting held with the Kandal provincial officials at the provincial town on 19 August.

Prince Krompreah Norodom Ranariddh, who is chairman of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, added that if Samdech Chea Sim, chairman of the Cambodian People's Party, and Ieng Muli, chairman of the Buddhist Liberal Democratic Party, agree to sign the pact he had proposed before, and if the three parties continue to co-operate from now until 1998, to show that the Royal Government is able to make big accomplishments for the whole country due to their joint efforts, they will certainly win the 1998 elections. That is, if they join hands and strive to rebuild the country.

The prince krompreah went on to say that cooperation and unity are what His Majesty King Norodom Sihanouk Varaman, the king father of the nation, wants. He added that his majesty, who is now 73, is very worried that his children, who are leaders or members of the big parties, do not understand the significance of the national reconciliation and national accord. If we do not achieve national reconciliation and national accord, we will not be able to solve the national development issue, corruption, and other problems.

The prince added that the king will be able to sleep well if he sees on television, is informed by the prince, or sees with his own eyes his children welcoming his wish for the three ruling parties to unite and cooperate to build and develop the country.

The prince krompreah said he hoped this statement will be heard and considered by Samdech Chea Sim, Samdech Hun Sen, and Ieng Muli.

Prince Krompreah Norodom Ranariddh stressed that it is necessary to have free and fair elections in 1998. Nevertheless, a coalition government is also needed for the continuance of joint efforts to develop the country.

Khmer Rouge Minister Views SRV Immigration

BK2208072095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 21 Aug 95

["News conference" by Mak Ben, "minister in charge of rural areas, agriculture, and water conservancy and representative of the Provisional Government of National Union and National Salvation," on 21 August; place not given — recorded]

[FBIS Translated Text] [Mak Ben] I would like to report to the compatriots on the meeting held by the cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] on Monday, 21 August, as follows:

On 21 August the cabinet closely examined and discussed the issue of Vietnamese immigrants pouring into Cambodia to snap at and swallow this country.

The cabinet believes that the issue of Vietnamese immigrants constitutes an enormous danger to the survival of the entire Cambodian nation, people, and race. More and more Vietnamese immigrants are pouring into Cambodia to snap at and swallow this country. Currently, there are over 4 million Vietnamese immigrants, and this number is steadily growing every day. The Vietnamese immigrants are coming to Cambodia more and more openly because communist Vietnam, the two heads, and the alliance have legalized them.

The danger that all the territory will be lost and the entire nation, people, and race will be wiped out as a result of this influx of Vietnamese immigrants is becoming more serious than ever. The danger of present-day Cambodia becoming another Kampuchea Kraom [Cambodian territory annexed by Vietnam in the past] is real. Communist Vietnam has sent Vietnamese immigrants to Cambodia to be used as forces for aggression, forces to implement the strategy of expanding against, annexing, and making Cambodia part of Vietnam like Kampuchea Kraom. Through this strategy, the 4 million-plus Vietnamese immigrants have grabbed Cambodian territory and the rice fields, orchards, and village land of the Cambodian people by the hundreds of thousands of hectares in regions along the border and in northern Cambodia. They have grabbed our lakes, ponds, streams, rivers, forests, fish, rice, meat, and all kinds of economic resources. In the cities, the Vietnamese have robbed us of all kinds of jobs on the market.

The 4 million-plus Vietnamese immigrants have continued to create social insecurity everywhere, spawning hooliganism, prostitution, thievery, robbery, other crimes, armed murders, and vices. The Vietnamese have perverted and poisoned Cambodian society — which used to be clean, patriotic, and united — turning it upside down and causing it to split into myriad fragments so that it would be easy for communist Vietnam to destroy and swallow all of Cambodia.

Who then is the ringleader responsible for flooding Cambodia with these Vietnamese immigrants?

The main culprits to be held accountable before the Cambodian nation, people, and history are:

1. Communist Vietnam. Communist Vietnam has sent Vietnamese immigrants to Cambodia since 1979 in a planned and systematic manner to be used as forces of aggression for implementing the Indochinese federation strategy. Le Du Anh — former commander of the communist Vietnamese Army that invaded Cambodia, current president of communist Vietnam, and chief criminal in the war of genocide against Cambodia — came to Phnom Penh in early August in order to finalize a law that would fundamentally permit the 4 million-plus Vietnamese immigrants to stay in Cambodia legally and in order to open the gates for more Vietnamese immigrants to pour into Cambodia.

2. The two heads. In reality, these two heads constitute the puppet administration of communist Vietnam and have been installed in power by communist Vietnam since 1979. While Vietnamese immigrants are flooding the country, the two heads just do what their communist Vietnamese boss tells them to do. They legalize the presence of Vietnamese immigrants in Cambodia, giving them Cambodian nationality and opening up the border for the daily influx of more Vietnamese immigrants. The immigration law of the two heads is made merely to confuse and fool the public and to approve the presence of the 4 million-plus Vietnamese immigrants in Cambodia.

The two heads, who are puppets of communist Vietnam — both the old and new puppets — have repeatedly declared that they will not deport Vietnamese immigrants.

3. UNTAC [UN Transitional Authority in Cambodia] and the alliance. UNTAC and the alliance should be convicted for the heinous crime of genocide. Proof of this is:

1. UNTAC and the alliance violated the Paris agreement by assisting the Vietnamese with remaining in Cambodia and the Vietnamese immigrants with voting and also by opening the borders for more Vietnamese immigrants to come to Cambodia. When UNTAC's mandate expired, UNTAC chief Akashi admitted that 3 million Vietnamese immigrants had come to Cambodia.

2. UNTAC and the alliance have joined hands with communist Vietnam and the two heads in continuing to fuel

communist Vietnam's war against the Cambodian nation and people and to protect the influx of Vietnamese immigrants in Cambodia.

In the face of the great danger that all territory will be lost and the entire nation will be wiped out, the Cambodian people have risen up as a whole and have waged a struggle in the countryside as well as in the cities. Overseas Cambodian have also joined this struggle. Together, they have conducted militant actions with a high sense of responsibility and determination never to allow communist Vietnam to snap at and swallow our country and never to let our beloved Cambodia disintegrate and become another Kampuchea Kraom.

The brothers have been fighting to make life difficult for the Vietnamese hiding in the two-headed ministries, departments, and army and police units and to prevent them from ruling the roost over Cambodia. They have been fighting most persistently in order to drive the Vietnamese immigrants out of Cambodia, as have other countries the world over. They have been fighting against the two heads, who have betrayed the nation, sold out the country, allowed themselves to be used as the most servile lackeys of communist Vietnam, and have served communist Vietnam in continuing to fuel its war of aggression against the Cambodian people for the past 17 years. They have been fighting the Vietnamese, who have insolently grabbed our land, rice fields, orchards, villages, resources, fish, rice, meat, rivers, ponds, lakes, and forests, smashing the Vietnamese thieves and robbers who have been roaming around to steal, rob, reconnoiter, and so on.

Thanks to this courageous and persistent struggle of the entire Cambodian nation and people, communist Vietnam has not been able to swallow Cambodia. Cambodia still stands tall as a people who have earned their national pride after waging a struggle to save the country for the past 16-17 years and who have acquired the firm confidence that they will succeed in the struggle to protect and perpetuate the nation, people, and race forever.

The National Union Party [NUP] and the PGNUNS resolutely side with the entire nation and people. The struggle of the Cambodian nation and people at present, as in the past and also in the future, constitutes a sacred right of a nation, of a people fighting to defend their right to self-determination. The Cambodian nation and people resolutely refuse to allow the 4 million-plus Vietnamese immigrants — the source of fire causing national and social insecurity at present and in the future — to continue plundering Cambodia's territory.

The NUP has developed a political program concerning the issue of Vietnamese immigrants coming to Cambodia to snap at and swallow this country. Its proposed solution is that the Vietnamese immigrants must be repatriated. All land, rice fields, and orchards grabbed by the Vietnamese immigrants must be returned to the Cambodian people. The NUP and the PGNUNS adhere firmly and unwaveringly to the stance of joining forces with the entire Cambodian nation and people and to fighting until national reconciliation, peace, and national unity are achieved in order to advance toward solving this serious problem of Vietnamese immigrants and other national and social problems.

The NUP and the PGNUNS most categorically reject all agreements that communist Vietnam has arranged for its puppets to sign since 1979 and all future ones, including the border agreements, agreements on Vietnamese immigrants, and all other agreements concerning the sovereignty, territorial integrity, and interests of the Cambodian nation and people.

The PGNUNS cabinet continues to regard the influx of Vietnamese immigrants into Cambodia as an acute actuality that must be constantly examined and monitored and about which grassroots committees must constantly be advised, so that together with the rest of the people they will struggle and fight with a high sense of responsibility and will submit reports to the government as appropriate.

These are the main contents of the cabinet meeting on 21 August that I would like to relate to all my compatriots.

[Correspondent] Thank you, Excellency. I represent PGNUNS radio. Here is my question: Your Excellency said that Le Duc Anh, chief criminal in the war of aggression and genocide against Cambodia, came to Phnom Penh in an attempt to legalize the presence of the 4 million-plus Vietnamese immigrants. Can you elaborate on this point?

[Mak Ben] Yes, the Cambodian nation and people know Le Duc Anh very well as the chief murderer in the war of aggression and genocide. He came to Phnom Penh in order to show off that communist Vietnam is the boss of the two heads; that communist Vietnam is the leader of the Indochinese federation; that communist Vietnam is the father of the Vietnam-Laos-Cambodia special friendship and special solidarity.

Le Duc Anh arrived in Phnom Penh immediately after Warren Christopher left. He did this in order to tread on the U.S. footprints and bury them deep into the ground and also to flex muscles and display the black teeth of communist Vietnam in a bid to scare, bully, and intimidate other people. He behaved like a vulture seeing an animal carcass.

Immediately after arriving in Phnom Penh, Le Duc Anh summoned ethnic Vietnamese in Cambodia — the forces of aggression for the implementation of the Indochinese federation strategy — to meet with him openly, right in the middle of Phnom Penh, in plain view of the whole world. Le Duc Anh did that with the aim of legalizing the presence of the 4 million-plus Vietnamese immigrants in Cambodia and of opening the gates to more Vietnamese immigrants to pour into Cambodia. That constitutes a most savage act of trampling on Cambodia's sovereignty and territorial integrity.

In one word, the trip to Phnom Penh by Le Duc Anh — the chief criminal behind the Vietnamese war of aggression — clearly shows that the two heads are just a bunch of monkeys. The two heads are nothing more than puppets, nothing more than servile lackeys of communist Vietnam. They are the smokescreen behind which communist Vietnam is snapping at and chewing up Cambodia. As such, how could the two heads conduct talks on the border, on the Vietnamese immigrants, and on other issues with communist Vietnam? No talks on an equal footing could be held. There could only be meetings between lackeys and boss, during which the lackeys danced at the latter's tune — that is, the two heads would sign more permits for communist Vietnam to swallow up Cambodia.

The Cambodian nation and people are very well aware of this situation. For this reason, they resolutely oppose the two heads and struggle hard for national reconciliation, for the termination of the communist Vietnamese war, and for the creation of a genuinely national government to solve national and social problems, the border problem, the Vietnamese immigrant problem, the people's famine problem, the people's livelihood problem, and all other problems.

Indonesia

Timorese Guerrilla Leader Santana Interviewed

BR2108132695 Lisbon DIARIO DE NOTICIAS in Portuguese 17 Aug 95 p 4

[Interview with Timorese guerilla leader Konis Santana by Pedro Sousa Pereira; place, date not given: "The Guerrillas Are on All Sides"; first two paragraphs are DIARIO DE NOTICIAS introduction]

[FBIS Translated Text] On 20 June of this year, the day on which Xanana Gusmao "celebrated" his 49th birthday in an Indonesian prison, Konis Santana read out to a tape recorder in the mountains of East Timor his replies to a questionnaire sent to him by journalist Pedro Sousa Pereira from Radio Macao.

In his replies, the operational leader of the resistance movement asked for more financial support from the external diplomatic front, stressing the importance of the urban side of the resistance movement. He concluded that this issue will only be resolved through dialogue.

[Sousa Pereira] What is the status of the guerilla war?

[Santana] The status of the guerilla war. That is a tough question. The festivities for the 50th anniversary of Indonesia's declaration of independence are approaching. Summer is also approaching, a time when the Indonesian military will have greater ease of movement, causing more damage, not only to the political wing of the entire underground resistance movement, but also to the Army — inside East Timor. The situation is extremely difficult since Indonesian soldiers are bent on exterminating Fakintil. From January until now there have been dozens of killings and hundreds of people have been captured. Despite this, the guerrilla fighters of Fakintil remain determined to fight and to die in the defense of their homeland. They will manage to resist and they will manage to survive because they have the support of the people.

[Sousa Pereira] What are the main difficulties facing the Army?

[Santana] It would take me a whole day to list them all. We have the same difficulties we have always had. Everyone knows what life is like for guerilla fighters. There is a lack of material resources, especially arms and ammunition with which to wage war. In addition to this, there are other difficulties, such as the lack of means of rapid communication between the various guerilla groups scattered across the national territory.

We have managed to organize and mobilize our people to participate in the struggle under the most liveable conditions by giving logistical support and medication to the guerilla fighters, and even going so far as giving refuge and security. However, as everyone knows, the enemy is always vigilant and this vigilance on the part of the enemy inhibits strong popular expression in the form of armed struggle or the armed resistance movement. We have also received some financial support sent to us generously by our diplomatic and international solidarity front. We would like to thank them with all our hearts for their generosity, although we must say that the amount sent is not enough to meet all the needs of the guerrilla war.

However, we are confident that, with the institutionalization of the Diplomatic Front Coordinating Committee, there will be a more general and more consistent concern to resolve our problem. We are certain that, henceforth, we will have access to greater support from our colleagues on the diplomatic front.

[Sousa Pereira] Have there been many combat situations?

[Santana] From January until now there has been a substantial increase in Indonesian military personnel. In East Timor there are 15 operational battalions specializing in counterguerrilla warfare.

In addition, there are also two battalions of Timorese natives operating. The enemy's military operations are undertaken in the mountains, in the villages, in the towns, and in the cities.

The Indonesian generals will be convinced in the end that the guerilla war in East Timor is being waged by the people, that the guerilla fighters have the support of the people, and that the guerilla fighters are on all sides.

The basic aim of the offensive is to stabilize the situation on the ground in order to guarantee the organization of the festivities for the 50th anniversary of Indonesia's declaration of independence.

Over the last year, the soldiers in Dili have had to confront forces of resistance against the occupation in addition to dealing with the growing clashes in the city. To us, this situation reflects the fighting ability of the underground organization, thus leading to the success of the new strategy traced out by the resistance leadership beginning in 1989 when, by acknowledging the military inability of Fakintil to cope with the enemy's military operations, it decided to transfer the central axis, the support of the entire resistance movement, to the towns, thus reversing many roles in the resistance forces on the ground.

We are increasingly convinced that the underground front of our resistance movement is starting to play a crucial role in altering the situation through its ability to cause change via public demonstrations and protest actions.

[Sousa Pereira] Talk to me about the intra-Timorese meeting sponsored by the United Nations.

[Santana] In the first place, I would like to say that the Timorese resistance has always been open to dialogue, because it believes that it is only through dialogue that our differences can be overcome. That is why the the resistance accepted to sit down and talk to Timorese pro-integrationists.

However, we want to stress that we are starting from the principle that the conditions that were set for the holding of this dialogue are unacceptable to us in so far as that they do not deal with the status of the territory. It is not the Timorese who are in conflict with each other. The war in East Timor is between the people and the invading Army. This means that the intra-Timorese dialogue is not an alternative to the dialogue held at level of the United Nations. An intra-Timorese meeting can only be positive if an agreement is reached between all the parties involved regarding the political status of East Timor in the light of international law.

[Sousa Pereira] What do you think of the UN actions?

[Santana] Unfortunately, we have noted that there is a total lack of action in resolving international issues. Jakarta has always been exempt from sanctions, and has never been punished by the international community — and in particular by the United Nations — for invading East Timor. At UN level the interests of major powers are at stake and East Timor is but a grain of sand on the beach of the powerful. With regard to the UN secretary general, we would like to express our deep gratitude for the great effort he has been making in the mediation between Portugal and Indonesia.

[Sousa Pereira] What is your message to Xanana Gusmao?

[Santana] Today, on 20 June, my leader and brother is 49 years old. Unfortunately we cannot spend this day together. I would like to take this opportunity to send him, on my behalf and on behalf of all the guerrilla fighters of national liberation, his brothers and comrades in arms, our wishes for a long life, and to express our complete loyalty to his policy in the conducting of the process and reiterating our total loyalty to his orders as our commander of Fakintil and the supreme leader of the resistance movement.

Police Increase Security at Australian Embassy

BK2108125395 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 21 Aug 95

[FBIS Translated Text] The police, particularly the Metrojaya [Metropolitan] Police authorities, are providing extra security for the Australian Embassy in Jakarta by conducting more routine patrols around the embassy. This was stated to reporters in Jakarta today by Police Lieutenant Colonel Bambang Hermantoro, head of the Metrojaya Police Information Department, following protests by a group of youths from the youth organizations at the Australian Embassy in Jakarta. The extra security measures provided by the Metrojaya Police authorities are in response to the Australian Embassy's anxiety over the embassy's security and the safety of its staff members.

The Metrojaya Police Information Department chief also stressed that the Indonesian police have given assurances concerning the safety of high-ranking Australian Embassy officials and their families and also the families of staff members residing in the city. The Police Information Department chief urged Jakarta residents not to be easily influenced by negative issues that could

Dailies View Indonesian Flag-Burning Incidents

BK2108114695

[FBIS Editorial Report] Two dailies carry editorials on incidents related to the burning of Indonesian flags in Australia.

Jakarta SUARA KARYA in Indonesian on 21 August carries a 600-word editorial on page 5 entitled "The Flag Burning" which notes that: "Indonesia knew about incidents regarding the burning of the red and white flags in several places in Australia, the Philippines, New Zealand and Spain. As such, it could be understood why hundreds of youths from the KNPI [Indonesian National Youth Committee] assembled at the Australian Embassy last week to submit their protests against the burning of the country's flags. The youths, who were then attending the climatic celebration of the country's 50th national day anniversary, simultaneously burned the Australian flags."

The daily adds: "In connection with the burning of the Australian flag, Foreign Minister Alatas urged the people not to succumb to provocations." He said: "If reactions within the country become worse, then such reactions will destroy our foreign relations with Australia." Apart from this, the foreign minister expressed his hope that the government of the country in question takes steps to prevent such incidents from recurring. He went on to say: "We do not tolerate any form of encroachment on Indonesian Embassies or the burning of the country's flags. We will continuously protest against such actions."

The daily adds that Harmoko, Golkar [Functional Party] general chairman, Kiai Haji Hasan Basri, general chairman of the Indonesian Ulema Council, and another religious official Haji Zainuddin also expressed their regret to thousands of Indonesian Muslims at a recent congregation at Istiqlal mosque in Jakarta.

In addition, SUARA KARYA states: "The excuse given by the Australian Government all along regarding the anti-Indonesian activities was that there is no system in the country which forbids holding demonstrations. We can understand such an excuse. But with regard to the encroachment and the destruction of the Indonesian Embassies, we consider that such activities have gone beyond the limit, and that the Australian officials are just standing still."

SUARA KARYA further adds: "We know that the groups involved in such incidents are the anti-Indonesian elements who use Australia as their base, and this was the case with the groups in the Philippines. However, in connection with the Ramon Magsaysay award which was recently presented to a renowned Indonesian writer, it could be said that such a decision gave wind or provided support to the anti-Indonesian elements in that country."

Adding further, SUARA KARYA states: "However, it was hoped that the Australian Government would seriously take into consideration the numerous protests made by Indonesia."

SUARA KARYA concludes by expressing the hope that friendly nations will take these incidents into account so that they do not recur.

Another Jakarta daily, REPUBLIKA carries a 700-word editorial on 21 August on page 6 entitled "The Flag Incident" about the flag burning incidents.

REPUBLIKA regards the national flag as a national identity because a country can be easily identified by its national flag.

The daily says: "Indonesia's history indicates that the Red and White [national flag] is not only a symbol of unity but also a symbol of the nation's struggle, as well as the symbol of the existence of a nation. The Red and White has been proudly waving high at the cost of numerous lives and sacrifices."

REPUBLIKA notes that "several incidents occurred in connection with our national flag. In Australia, the Red and White was dishonored by the burning of the flag. The flag was also burned in the Philippines. We are humiliated by such incidents, and we do not know the actual motives behind such actions."

The daily further notes: "In 1990, the United States was still very lenient about its national flag. After the destruction of its national flag by some Americans, the country then considered the need to formulate a law to protect its national flag. Finally, the Stars and Stripes ceased to face any more humiliation."

The daily also notes that the national flags of some countries convey no significant meaning or purpose to their people. As such, the flags can be flown or hoisted at any place according to their people's desire. Some flags are even made into clothes. They have a right to do so.

In conclusion, REPUBLIKA says: "On the other hand, the incidents of the burning of our flags should not be tackled in an irrational manner. The burning of our flags should not be reciprocated by burning other country's flags. We can understand the humiliation we underwent when our flags were burned. Our wise, mature and proportional attitude will somehow bring others to realize that we are truly mature in our coexistence with our neighbors."

Economist Rules Out 'Chaos' During Succession

BK2208065795 Jakarta THE JAKARTA POST in English 11 Aug 95 p 1

[FBIS Transcribed Text] Jakarta (JP) — Noted economist Syahrir predicts an average growth rate of more than seven percent for Indonesia's economy during the 1995-2000 period and rules out the possibility of chaos during the succession of the national leadership in 1998.

Syahrir foresees an economic growth (in terms of gross domestic product) of 7.5 percent this year which will be fueled mainly by the manufacturing and construction sectors. "I think the economic expansion will run even at a higher pace in 1996 and 1997 as a result of the implementation of the huge sums of new investment commitments licensed by the Investment Coordinating Board (BKPM) over the last two years," Syahrir said yesterday.

Syahrir was one of the panelists at a one-day seminar, organized by Citibank, which discussed the prospects of Indonesia's economy and the capital market in the run up to the year 2000.

He based his prediction on the assumption that the economic reform process, such as deregulation and economic liberalization, will continue in line with Indonesia's commitments to the ASEAN Free Trade Area [AFTA] in 2003, APEC [Asia Pacific Economic Cooperation] free trade in 2010 and the multilateral trading arrangements under the World Trade Organization.

Syahrir also assumed that the government would maintain its prudent macro-economic management such as conservative monetary and fiscal policies, balanced budget, prudent borrowings and realistic foreign exchange rate policy.

"I think the impetus of economic growth will be the manufacturing industry and other sectors related to such infrastructure as transportation, telecommunications, electricity and construction," noted Syahrir, managing director of the Institute for Economic and Financial Research.

The only variable which remains largely a subject of speculation is the composition of the next cabinet (1998-2003) and its policy, he said.

"However, given the intensive inter-linkages between the state budget and balance of payments, which are both highly vulnerable to external factors, I don't think the government will have much leeway for substantial changes in its macro-economic policies to maintain stability," he pointed out.

Maintaining a relatively low inflation rate is also crucial to efforts to maintain economic stability, according to him.

"It will be extremely difficult or Indonesia to maintain its external balance if the country's inflation rate remains higher than the rate of the rupiah's depreciation against the U.S. dollar," Syahrir cautioned.

Succession

He acknowledged that predicting the prospects and outlook of Indonesia's economy would not be so reliable without taking into account the impact of the succession of the national leadership in early 1998.

President Suharto will end his sixth successive five-year term in March, 1998.

Syahrir also admitted that the stability in the political system as been one of the main supporting factors that have enabled the country to maintain a steady, robust economic growth over the past 30 years.

"I don't rule out the possibility of some political upheavals in the run-up to the succession. Nor do I rule out the possibility of changes in the political system."

"But I strongly rule out any possibility of chaos," Syahrir pointed out.

He argued that Indonesia's present economic structure and foundation and the micro-dynamics of the economy are much different from those before the mid-1960s.

"The most notable change is that the micro-production units which in the past used to be dominated by households (farmers) have now shifted more to business units that are more efficient entities," he added.

Moreover, according to him, Indonesia's economy has become more interlinked with the global economy.

In fact, he added, its relatively large current account deficit and big debt installments have forced the country to rely largely on foreign capital flows.

"Then, Indonesia, due to its open capital account system, cannot afford a prolonged power struggle which may set off chaos, " he said in citing another reason as to why the government will always go all out to maintain stability, irrespective of who will become the next president.

He also cited the steady increase in the number of companies going public through the domestic and international stock exchanges as another deterrent to any possible chaos related to the succession.

"I fully agree with the view of Bacelius Ruru (Chairman of the Capital Market Supervisory Agency) that the stock exchanges have been promoting the democratization of capital in the country," he said.

Syahrir therefore called on the approximately businessmen, mostly portfolio investors attending the seminar, not to easily be misled by foreign analysts' assessment of future political developments in Indonesia or risks in the country.

Laos

Cambodian Party Delegation Welcomed on Visit

BK1608130895 Vientiane KPL in English
0921 GMT 16 Aug 95

[FBIS Transcribed Text] Vientiane, August 16 (KPL). A Cambodian delegation headed by Samdech Krompreah [title as received] Norodom Sirivut, secretary general of FUNCINPEC [National United Front for an Independent, Peaceful, Neutral, and Cooperative Cambodia] Party, arrived here yesterday on its visit to Laos between August 15 to 18. The visit is in response to the invitation of the Foreign Affairs Commission of the Lao People's Revolutionary Party Central Committee.

Samdech Krom Preach Norodom Sirivut and his delegation was warmly welcomed at Vang Sadet government guest-house by Mr. Somsavat Lengsavat, member of the party central committee, acting chief of the Relationship Commission.

At night, Mr. Somsavat Lengsavat hosted a reception to Samdech Krom Preach and his delegation at the Lane Xang Hotel.

Total Population Increases to Over 4 Million

BK1708110995 Vientiane KPL in English
0917 GMT 16 Aug 95

[FBIS Transcribed Text] Vientiane, August 16 (KPL) — The general census conducted recently in Laos on March 1, 1995 indicated that the country has 4,581,258 inhabitants, 2,315,391 of whom are women, accounting for 50.6 percent of the population and 2,265,327 of whom are men, accounting for 49.4 percent of the population.

These figures has been disclosed by Mr. Somphong Mongkhonvilai, deputy chief of the National Census Committee at the conference held on August 15 at the Mekong restaurant in the presence of the committee in charge of the census, the representatives of ministries, of departments, and the special zone.

According to the result of the census, Savannakhet Province comes first with 671,581 inhabitants accounting for 15 percent of the total population across the countries. Vientiane prefecture comes second with 528,109 persons accounting for 12 percent of the total population and Champassak Province hold the third place with 500,994 persons. Saisomboun, the special zone is the less populated province in Laos with 54,112 persons.

Provinces of Luang Namtha, Bokeo, and Attapeu share the less population density. Each province accounting for 2 percent out of the total population across the countries. The annual growth rate from 1985 to 1995 is 2.4 percent. If this population growth rate continues, Laos will have its 5.2 million population by the year 2000.

Philippines

Senate Manifesto Supports French Goods Boycott

BK2108025195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 20 Aug 95

[FBIS Translated Text] The Philippine Senate joins the worldwide protest against France's plans for nuclear testing in the South Pacific. According to Senator Heherson Alvarez, chairman of the Senate Environment Committee, all of the 24 senators have already signed a manifesto declaring support for the boycott of French-made products sold in the country. The move aims to strengthen opposition to French nuclear tests. During joint hearings conducted by the Senate Committees on Foreign Relations and Environment and Natural Resources, it was learned that international law and the International Court of Justice do not prohibit nuclear testing. Nevertheless, fears still exist over th increasing levels of radioactive contamination in the South Pacific.

Meanwhile, the Earth Savers Movement is set to hold their anti-nuclear protest in Makati today [21 August]. The protesters will coincide their mass protest with the anniversary celebration of the slaying of Ninoy Aquino.

Country To Graduate to 'Nonrescheduling' Status

BK1808135495 Manila PHILIPPINE DAILY INQUIRER in English 15 Aug 95 p B1

[Report by Margie Quimpo-Espino]

[FBIS Transcribed Text] The Philippines will pay $112 million in maturing loans to the Paris Club next month, marking its "graduation" from a "heavily rescheduling" to a "non-rescheduling" country.

The Paris Club is an informal grouping of government creditors such as Japan, Germany and the United States. It has been providing debt relief to the country through various rescheduling agreements since 1985. There have been four rounds of negotiations wherein the country asked for a rescheduling of its maturing obligations.

It was only this year that the government decided to pay the maturing obligations and accelerate its exit from the first round of negotiations. This round of talks involved loans amounting to $1.2 billion. This is seen to boost the attractiveness of private sector placements (such as bond flotations of local companies) in the international capital markets since the Philippines will start showing an improved capacity to repay its obligations.

The country owes Paris Club creditors some $5 billion in medium- and long-term loans. Its decision not to take advantage of a rescheduling this year was due to its substantial international reserves, which totalled $8.5 billion last week.

The second round of negotiations involved loans totalling $1.1 billion, or with maturities falling due from April 1993 to October 1997. The third round involves $1.7 billion and are to mature in November 1997. The fourth round involved both official development assistance (ODA) loans falling due from 2002 to 2012 and non-ODA loans maturing from 2000 to 2007.

The government has already paid $245 million worth of loans maturing between August 1994 and December 1995. This included principal loans of $206 million and interest payment of $45 million.

The Paris Club obligations are part of the $31.98 billion in medium- and long-term loans of the country out of its total foreign debt of $37.7 billion as of the end of last year.

Thailand

Editorial on SRV Prosecution of Peace Activists

BK2108035195 Bangkok THE NATION in English 21 Aug 95 p A 4

[Editorial: "VN Party Ignores Yearnings for Reform At Its Own Peril"]

[FBIS Transcribed Text] The jailing last week of two Vietnamese-born Americans and several leading dissident Buddhists suggests Hanoi's re-entry into the global community last month has done little to sensitize the ruling party to international standards of human rights.

In each case, the defendants were persecuted for their peaceful expression of political views. The sentences handed down were severe and totally unjustifiable in any legal sense-except as a means to silence political opposition.

Thich Quang Do, the number two in the unofficial United Buddhist Church of Vietnam (UBCV), was sentenced to five years in prison for protesting the government's crackdown on a flood relief mission being carried out by his sect. Five fellow Buddhists were arrested early in the year for participating in the mission.

A few days before, a court in Ho Chi Minh City jailed nine people, including the two American citizens, for subversion after they tried to organize a meeting on democracy and human rights. The Americans, Nguyen Tan Tri and Tran Quang Liem, were sentenced to seven and four years respectively on charges of "trying to overthrow the government".

The harsh jail terms for what were nonviolent activities underscore the fact that while economically Vietnam is changing quickly, politically it is stuck in the Leninist dark ages.

International opinion

Hanoi brushed off Washington's expressions of concern about the sentencing of the two American citizens but if Vietnam is sincere in its efforts to be part of the world community it will soon discover that it can ill-afford to be so contemptuous of international opinion. It no longer has the Soviet bloc to fall back on for economic and political comfort and it will find that its eagerness to join international groupings comes with a political price.

The State Department cautioned that the jailing of religious and political dissidents would not "be terribly helpful" to Vietnam's efforts to obtain US trade privileges.

Hanoi can rail against the "unacceptability" of linking trade and social issues and thumb its nose at Washington but in the end it will find it has no choice but to ease up the choke on political repression if it wants to the country to become economically competitive.

For starters, a legal code that is primarily a tool for the state can only serve to scare off investors. Legal disputes, influence peddling and corruption among the bureaucracy are already being readily cited by foreign businessmen as the biggest impediment to investment.

Secondly, more than half Vietnam's 73 million population is below 25 years in age. War memories belong to the older generation as does a willingness to submit oneself unquestioningly to the state. Along with economic growth, pressure will build among the younger citizens for more freedoms and a less intrusive and oppressive state mechanism.

Any state power has the right to defend itself against physical threats to the stability and peace of its people but as soon as it begins using its police powers to subdue opposing ideas it is in trouble. People can be jailed, ideas and yearnings for freedom can not.

Reform policies [subhead]

After decades of war, poverty and inept financial planning, Vietnam's cities are visibly enjoying the process of a return to wealth resulting from the Doi Moi economic reform policies introduced in the late 1980s.

But while colour and vitality may have returned to once-grey streets, the bullying, corruption and political persecution and crippling poverty that forced millions to flee after the Vietnam war is still alive.

Twenty years ago, Hanoi poisoned any chance of achieving a swift rapprochement with the United States by tabling a series of impossible demands Washington could not have accepted without a great loss of face. The result was two decades in virtual international isolation.

Today, it has a similar choice. To choose its own difficult path or adopt a system that is more accommodating of universal standards of human rights. Only this time, the population is young and looking to get ahead and has less patience for authorities it sees enriching themselves through their powers.

Prior Warning Sought Before EU Duties Imposed

BK2108034695 Bangkok THE NATION in English 21 Aug 95 pp B 1, 2

[FBIS Transcribed Text] The Thai Ambassador to Brussels has asked the European Commission to give early warning before imposing antidumping or countervailing duties on any Thai products.

The immediate imposition of punitive duties has damaged exporters who have not been prepared for such a situation, he said.

According to Somkiat Ariyaprachaya, if the EU announced it would investigate before taking any real punitive action, most EU importers would be likely to slow down their orders of Thai goods as they would be uncertain whether the would have to bear additional tariff costs.

He said that at the moment, the European Commission is investigating the alleged dumping of 11 Thai export items, including polyester, microwaves, footwear, textiles and steel pipes.

He said that even though the European Commission has yet to rule whether the Thai exporters have unfairly reduced their products' prices to boost exports, the EU authorities have already injured the Thai exporters. EU buyers have stopped ordering goods from Thailand, fearing the possible imposition of punitive duties on the exports in the future, he explained.

The European Commission has already imposed anti-dumping duties on four Thai goods — ball bearings, monosodium glutamate, lighters and colour televisions.

Somkiat would also discuss the issue with two officials from the European Commission when they visit Thailand from Aug 26 to Sept 1. The two officials who would come to Thailand are Mr Krenzle, director-general for External Economic Relations, and Mr Trumf, secretary-general to the EU Council.

Despite concerns over the anti-dumping duties, the Thai exporters have found good opportunities in the EU market. According to a figure from EU authorities, the value of Thai exports to the EU last year totalled ECU$6.3 billion, compared to EU exports to Thailand of $6.09 billion. The figures excluded activities with the three new EU member countries.

Earlier, Thai exporters complained about problems they face with the inconsistent EU sanitary standards, which have often been used a means of limiting imports, especially of food and fishery products, from Thailand.

Somkiat, however, said that so far 169 fishery plants in Thailand have met the standards set by the EU authorities.

The Thai ambassador said that, as a result, he foresees positive prospects for Thai exporters to sell more goods in the EU.

Nonetheless, he noted that Thai officials would have to negotiate with their EU counterparts for compensation for the lost Thai export volume after Austria, Sweden and Finland joined the bloc.

Deputy Premier Cautious on Speeding Up AFTA

BK1908135195 Bangkok THE NATION in English 19 Aug 95 p B2

[FBIS Transcribed Text] Deputy Prime Minister Amnuai Wirawan has responded cautiously to a proposal to cut the timeframe for tariff reductions under the Asean Free Trade Area [AFTA] from 2003 to 2000, saying the government must carefully consider the impact on local investors.

Nonetheless, Amnuai stressed that the government would go ahead with the economic liberalization programme by concentrating on three major elements — trade liberalization, deregulation and privatization — to promote economic growth.

Speaking after attending a gathering of Thai ambassadors and counsellors at the Regent Hotel yesterday, Amnuai said that as deputy prime minister in charge of international trade affairs he would push through trade liberalization via the agreements Thailand has committed itself to under the international organizations.

He cited the Afta tariff cut as a potential agreement. Amnuai said that instead of focusing on how to reduce the timeframe for Afta tariff cuts the member countries should maximise the benefits of the Afta accelerated tariff-cut timeframe under the so-called fast-track scheme, which urges Asean members to cut tariffs on some particular manufactured products by the year 2000, three years before the original target.

Moreover, Amnuai said Thailand should take the initiative to create a real free trade zone by urging other Asean members to eventually reduce Afta tariff rates to zero per cent, instead of leaving the opportunity open for members to maintain tariffs on manufactured goods at up to five per cent.

Amnuai also asserted that he supported a proposal to extend the Afta agreement from covering only manufactured goods to other potential areas such as non-processed farm goods and the services sector.

Amnuai told the diplomats that the Banhan administration would go ahead with the liberal economic programme by concentrating on three aspects — trade liberalization, deregulation and privatization.

He said the officials at the foreign ministry should, therefore, place more emphasis on the economic agenda at both multilateral and bilateral forums.

"We should make another big push to strengthen Thailand's position in the world economy," he said.

For his part, Amnuai said he would propose the government use the theme "Moving toward an internationalized economy" to promote the 50th anniversary of the His Majesty the King's accession to the throne next year.

Minister: Tariff Reduction List To Include Rice

BK2108032195 Bangkok BANGKOK POST in English 21 Aug 95 p 15

[FBIS Transcribed Text] Thailand will stand firm in its demand that rice be included under the ASEAN Free Trade Area tariff reduction scheme, said Deputy Commerce Minister Phairot Suwanchawi. Manufactured goods, capital goods and processed agricultural products were originally included in the AFTA scheme under the Common Effective Preferential Tariffs mechanism.

When ASEAN economic ministers met last year, they agreed to expand the scheme in the future to cover non-processed agricultural products. However, the items to be included in the expansion have not yet been finalised because ASEAN members must agree on what items will be part of their sensitive lists.

These trade issues will be discussed this week in Kuala Lumpur by ministers and officials of ASEAN ministries of agriculture and forestry. Mr Phairot said Thailand would include the maximum number of items it was allowed on the sensitive list.

Malaysia, Indonesia and the Philippines have all included rice on their exclusion lists.

Mr Phairot said he did not think controversial issues such as what to do about farm products would be solved at the upcoming ASEAN economic ministers' meeting in Brunei early next month. Solutions might have to wait until the ASEAN Summit in Bangkok in December, he said.

ASEAN officials in charge of economic issues will meet in Brunei from September 2 and break up into working groups to discuss services and technical cooperation. Senior economic officials will meet on September 4 and 5, the AFTA Council on September 6, economic ministers on September 7 and 8, and economic ministers will hold meetings with the private sector later in the day on September 8. ASEAN economic ministers will meet ministers from Australia and New Zealand to discuss closer economic relations early on September 9 and with Japan's minister of international trade and industry in the afternoon. On September 10, ASEAN members will meet officials from Australia, New Zealand and Japan. as a group.

Central Bank Governor on Economic Strength

BK1908135395 Bangkok BUSINESS DAY in English 19-20 Aug 95 p 1

[FBIS Transcribed Text] Thailand must continue its industrial development, moving away from an agricultural-based economy if it is serious in aspiring to become Asia's fifth Tiger economy, said Bank of Thailand Governor Wichit Supinit yesterday.

Speaking at a seminar on "Foreign Affairs and Overall View of Economic Development," Mr Wichit also forecast that as economic strength moved towards Asia, Thailand could have the eighth strongest economy in the world by 2020.

He based his prediction on Asia becoming the engine room of the world's economy by that year.

"Movement of the economic pole toward Asia has caused many experts to say the 21st century will be the Asian Century and Thailand has a good chance to benefit from this exciting revolution," Mr Wichit said.

The central bank governor said Thailand could attain this position through high economic growth and the implementation of appropriate policy, especially with regard to inflation.

He added he did not expect either Malaysia or Singapore to be placed among the leading 15 economies.

At present, Mr Wichit said, Thailand already has the fifth largest economy in the region behind Japan, South Korea, Taiwan and Singapore, adding that the Thai economy, valued at $130 billion, has one of Asia's highest economic growth rates.

Mr Wichit said world history had proved an agriculture-based economy had never led to economic stability, as agricultural commodities always face price fluctuations, limited markets and volumes dependent on climate.

Transforming the country's economy into an industrialized- dependent one was reliant on the government following appropriate policies, he said.

In order to maintain current economic growth, Mr Wichit suggested the government give significance to practicing monetary and fiscal discipline, controlling inflation and preventing currency exchange fluctuations.

He said the government should also guard against accumulating excessive foreign debts and to reserve enough savings for investments.

Chechen Envoy Seeks Support in Southern Province

BK2208042895 Bangkok BANGKOK POST in English 22 Aug 95 p 2

[FBIS Transcribed Text] A special envoy from Chechnya visited Yala Province Sunday to call for support from Islamic leaders of this southern province over the bloody civil war in his country, a provincial source reported yesterday.

Special envoy Walid Usman and his assistant identified as Mandarusdin met with 50 Islamic lenders and youths following coordination between key religious leaders from the three southernmost Muslim-dominated provinces of Yala, Pattani and Narathiwat.

The purpose of the trip was to brief members of the southern Muslim community on the war between Russian troops and Chechen forces.

Speaking in Arabic, the envoy informed the southern Muslim leaders about the "suppression" of the Chechen people by Russian forces while showing pictures and posters of events there.

The southern Muslim leaders, who appeared sympathetic to their plight, may soon call a meeting to consider assisting the Chechen people.

The visit lasted two hours after which the envoy left for Malaysia and Indonesia to seek cooperation and assistance.

Editorial Praises 'Hard-Hitting' Drug Report

BK2108044495 Bangkok BANGKOK POST in English 21 Aug 95 p 4

[Editorial: "Head In Sand No Way To Solve Drugs Problem"]

[FBIS Transcribed Text] The Office of the Narcotics Control Board (ONCB) has once again come through with a hard-hitting, factual report on drug abuse in Thailand. It has shown the scope of both big-time narcotics trafficking in our country, and the effect on society of use and abuse of drugs. It has particularly focused on the effects on children and the family. It points out concisely and honestly that the making, marketing, use and abuse of illicit drugs in our country have all risen precipitously. As a reward, it has been criticised by Prime Minister Banhan Sinlapa-acha and numerous other politicians. According to these critics, the ONCB report is surprising, shocking and unexpected.

These politicians should redirect their outrage and shock. There never has been any shortage of information on drugs. If any anger is warranted, it needs to come from the public, and to be directed against the current and recent governments which have ignored the evidence. The Press has published and broadcast literally thousands of cases of drugs and narcotics problems in recent years.

The spread of AIDS, particularly in the North, has been directly linked to abuse of drugs taken by intravenous means, mostly heroin. Indeed, a walk through just one of many hundreds of markets and parks in Thailand would have revealed to the "shocked" politicians children sniffing thinner. Then there is the matter of alleged involvement in drug trafficking by some of those politicians.

In short, if politicians were unaware of the massive, constantly growing evidence of drug abuse and narcotics trafficking, they had their heads stuck in the sand. Blaming the ONCB for last week's truthful study of this country's very real drug problems is a case of shooting the messenger who carries bad tidings. The ONCB, which operates as part of the Prime Minister's office, deserves praise for its work. Since its founding, the Board has been one of the most outstanding parts of our government. Its work is unusually transparent, and it has remained admirably unsullied by charges of corruption.

If our authorities wish to be taken seriously, they will drop their pretense they are surprised by rampant drug abuse problems. Instead, they will elevate the drugs issue to the important level it deserves. The ONCB report highlighted many problems, which can be addressed by serious attention from the government and its agencies. Action will be far more useful than words, particularly speeches questioning the motives of ONCB officials.

In case the government agencies missed the point of this ONCB wake-up call, urgent action is needed in the fields of education, rehabilitation and law enforcement. First and foremost, as the report stressed, is the fact our children are using and abusing drugs at an alarming rate, and no education is being provided to help them. The use of dangerous amphetamines by the youth of Thailand should be a danger warning. Just as dangerous to children are inhalants, which kill or retard brain cells.

The government should also look inside its own house, and remember that many of the Thai political parties have been accused of sheltering drugs traffickers. It goes without saying that such investigations must be discreet and careful, to avoid damaging the reputations and careers of innocent men and women. But it must also be remembered that it is some politicians who stand accused of profiting from illicit drugs-not children; not the press, and not the members of the ONCB. The public demands, and deserves, action against all drugs traffickers, no matter how influential.

Thailand and its Institutions can easily withstand a full investigation and unmasking of narcotics traffickers and those who prey on drug abusers. The ONCB report is merely one of many recent calls for action against the sellers of illegal drugs and substances. The truth is that over the past generation, Thailand has earned its image in the world as a nation committed to wiping out drugs trafficking. Our people and dedicated agencies including the ONCB have been dedicated to ending the terrible effects of narcotics profiteering.

Last week's report to the government should make it clear we have not yet done enough. It is surely time to reeducate and refocus our energies on this problem which is one of the most undermining in our country. The ONCB report included letters for children who asked our government and society for help against drugs. If we refuse to answer their pleas now, we will certainly be called to account for that failure later.

Police Official Comments on Heroin Problem

BK2008110495 Bangkok THE SUNDAY POST in English 20 Aug 95 p 4

[Report by Subin Khunkaeo and Naowarat Suksamran]

[FBIS Transcribed Text] Heroin production plants have moved back into Thailand but to tackle them authorities have to play cat- and-mouse. "We cannot clamp down on them because they keep moving all the time," assistant police chief Kowit Phakdiphum said.

Turning raw opium into morphine and then heroin takes about seven days. But to avoid the crackdown, morphine will be produced at one place first and taken for production of heroin elsewhere. Changing of production bases makes it more difficult for the authorities to trace them.

Pol Lt-Gen [Police Lieutenant General] Kowit said it took anti-drug officials four years to bust a "mobile" heroin plant in Chiang Mai's Mae Chaem district. The officials first learned that raw opium and refined chemical substances were smuggled into the country for heroin production in Ban Mae Chan in Mae Chaem district but could not find the production source.

After four years, they finally located a spot in deep jungle where the drugs were made. During the raid late last week, they seized ten 200-litre oil containers filled with morphine, and two big pans.

This was the first heroin production plant inside Thailand that had been busted for three years. Previously, since 1987, 37 local heroin production plants had been raided and destroyed.

The Thailand Development Research Institute reported there were 1,267,590 drug addicts — heroin and others combined — in the country in 1993. Of this number, 920,204 were rural people, 71,666 students, 48,019 fishermen, 47,960 slum people, 28,543 hilltribe villagers, 15,575 truck drivers, 14,861 prostitutes and 41,997 tricycle drivers and soldiers.

Pol Lt-Gen Kowit said heroin was still being produced and trafficked into Thailand from the plants in neighbouring countries. These production bases were usually located about 10 kilometres from the common borders. Some of them were in Burma opposite Chiang Rai, Chiang Mai and Mae Hong Son. Some were along the Thai-Laotian border across from Chiang Rai province and some were on the Burmese- Chinese border next to Yunnan province.

Pol Lt-Gen Kowit said there were almost 30 heroin production plants along the Thai-Burmese border now supplying drugs to Thailand. He said heroin production had become a big problem for China since the number of refineries there had reportedly increased 400-fold, particularly in Yunnan province.

The growing number of these production bases explains why the trade value of illicit drugs in Thailand has jumped by 28.9 billion baht to 116.8 billion baht since 1989, according to statistics of the Office of the Narcotics Control Board.

Although relentless crackdowns on poppy planting in Thailand have helped in reducing the amount of locally produced raw opium to less than 10 tonnes a year, Pol Lt-Gen Kowit said that appeared to have had little effect on heroin production. Heroin refineries have turned to rely on poppy planting areas in the Golden Triangle straddling Thailand, Laos and Burma that can supply at least 2,500 tonnes of raw opium annually. That is enough to produce at least 60 tonnes of heroin.

The formation of regional economic blocs such as the Growth Quadrangle among Thailand, Laos, Burma and China and the Growth Triangle among Thailand, Malaysia and Indonesia as well as the opening of the Thai-Laotian Friendship Bridge in northeastern Thailand have also been factors spurring drug trade in Thailand, Pol Lt-Gen Kowit said. Apparently affected were hilltribes living along drug trafficking routes.

Heroin consumption among highlanders began in Ban Pa Kia in Chiang Mai and then spread to other villages five years ago. In Ban Pa Kia, all villagers were said to have been using heroin after being lured by the traders to try this "white drug" in place of opium. It took only a short while for the drug habit to spread to other villages.

Chiu, 40, of Ban Mae Sa Mai in Mae Rim district of Chiang Mai, his wife and two sons, are now undergoing drug rehabilitation treatment after having been addicted to heroin for about five years. Previous rehabilitation attempts have failed. Drug addiction is a curse on Chiu who was able to make 80,000 baht from his lychee plantations this year.

After buying a motorcycle for 38,000 baht, Chiu spent the rest of the money on getting heroin for himself and his wife and sons. That motorcycle is likely to be sold soon to help fund more purchases. Chiu now earns only 70-80 baht daily from working in an orchard while the amount of heroin he needs in a day costs him 300 baht.

The "white drug" which his family and at least 50 people in his village are addicted to has to be bought from other villages. "If we do not use it, we'll have no energy at all," he said.

Butsaba, 29, a Hmong woman in Ban Mae Sa Mai, said she had been addicted to the drug for about eight years. The addiction began when her parents gave her heroin to relieve pain. Now she has to use it three or four times a day.

Three times Butsaba has tried unsuccessfully to quit drugs through a rehabilitation programme. But she is now determined to stop that habit because of her love for her children. "I'll try to quit. My children do not want to go to school because they feel ashamed their mother is an addict." Butsaba is concerned whether her one-year old baby will become addicted to heroin through breastfeeding. Her father used to be an addict but finally stopped using the drug. He was later convicted of having heroin in possession and is in jail. Her mother 70, is a constant user of heroin.

Thiraphong Rattanadilokkun, a Hmong health volunteer in Ban Mae Sa Mai, said the number of drug addicts had dropped from about 100 to 60 since the control board began implementing its community relations project among hilltribe people. Those who could not stop the habit were mainly villagers who used drugs for more than five years.

Heroin penetrated this village of about 1,000 people five years ago and almost all villagers fell victim. Wages were even paid in the form of the drug, not cash. Thiraphong said Hmong usually did not want to work as employees. Those who agreed to be hired then were all drug addicts. Some of them also acted as traders.

Pol Lt-Gen Kowit said he expected good roads and transport might improve the rural economy and discourage people from selling drugs. He is tipped to become board secretary-general to succeed Pol Gen [Police General] Chaowalit Yotmani who will retire at the end of September.

Opium-Growing Areas Decline; Drug Abuse Rises

BK2008093495 Bangkok THE SUNDAY POST in English 20 Aug 95 p 1

[Unattributed report]

[FBIS Transcribed Text] Opium growing areas have declined rapidly in Thailand in the past 20 years. But while use of this "traditional" drug has declined, abuse of narcotics overall is on the increase. Only a little over 4,500 rai remains of tens of thousands of rai, mostly forest, cleared to make way for poppy plantations. In contrast, the number of drug cases nationwide jumped from 86,603 in 1991 to 101,849 in 1992 and 105,556 last year, forcing the authorities to work out more effective measures to tackle the problem, especially the laundering of money earned from the trade.

A law introduced in 1991 to suppress narcotics offences caused drug dealers to look for ways to "clean" their cash. Their assets were often transferred to other people to avoid seizure. The Office of the Narcotics Control Board believes a pending law against money laundering will prove effective. Board secretary-general Pol Gen [Police General] Chaowalit Yotmani said the bill, already sent to Parliament, was likely to be approved by the Banhan Government.

Minister Prasong Bunphong of the Prime Minister's Office and Deputy Prime Minister Gen Chawalit Yongchaiyut, who both oversee the board, have joined Finance Minister Surakiat Sathianthai in pledging to push for the bill's passage. With the full support of key ministers, the bill looked certain to be passed, Pol Gen Chaowalit said. He said the Narcotics Act focused on punishment of drug offenders, while the new bill dealt with assets acquired using money obtained from the trade.

Under existing law, asset seizure is possible only with a court ruling. The new bill would enable the authorities to seize assets without having to wait for a court decision, provided they were certain they could prove the money used to buy the assets was from the drugs trade.

Agencies involved in the battle against narcotics have agreed the bill should be brought into line with the national development master plan which seeks to reduce both drug demand and supply. They agreed social institutions and interest groups should play greater roles. The family and the community should be more involved in rehabilitating addicts.

Vietnam

Radio Reviews 'Friendly' Ties With India

BK1808112295 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Aug 95

[Unattributed "article"]

[FBIS Translated Excerpt] [passage omitted on background of India and its economic reform program] The friendly ties between Vietnam and India were established a long time ago and have been painstakingly fostered by such outstanding leaders of the two countries as President Ho Chi Minh, Mohandas Gandhi, and Jawaharlal Nehru. They have been further consolidated and developed by the continued efforts of other Vietnamese and Indian state leaders. India was among the first countries to establish political, economic, trade, scientific-technological, and cultural relations with our country. In particular, bilateral ties have been promoted following the February 1992 visit to India by General Secretary Do Muoi and the September 1994 visit to Vietnam by Indian Prime Minister Narasimha Rao.

Given the fact that both countries are carrying out economic reform programs, Vietnam and India still have much room to promote cooperation and share experiences in many fields to serve the common interests of the two peoples and contribute to peace and stability in the region and other parts of the world.

Officials Receive Israeli Business Delegation

BK1908095595 Hanoi VNA in English 0628 GMT 19 Aug 95

[FBIS Transcribed Text] Hanoi VNA Aug. 18 — A delegation of Israel's Dankner business group, led by its chairman, Mr. S. Dankner, has visited Vietnam to inquire into possibilities of economic cooperation and investment in the country.

While here the Israeli delegation was received by Deputy Prime Minister Tran Duc Luong and had working sessions with the State Planning Committee, the State Commission for Cooperation and Investment and relevant agencies. It also visited some economic establishments and places of cultural interest in Hanoi, and made tours of Haiphong and Ha Long cities.

The delegation of the Dankner Group, one of the four biggest business groups of Israel, plans to leave Vietnam tomorrow.

Authorities Deport Naturalized U.S. Citizen

BK1808115295 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 15 Aug 95

[FBIS Translated Text] On 10 August, the entry-exit control agency under the Quang Nam-Danang Province public security service issued a warning against, and forced, Do Anh Dung, a naturalized U.S. citizen, to go home for violating Vietnamese law. Do Anh Dung entered Vietnam and worked for the An Viet Construction Joint Venture Company in Thua Thien-Hue Province and the Quang Tri Province Mineral Water Joint Venture Company.

During his stay in Vietnam, Do Anh Dung illegally set up and put into operation the Office of Southeast Asia Affairs and the branch office of the An Viet Company at the Ngu Hanh Son Hotel in Danang City. He hired 10 Vietnamese citizens to work for the aforementioned offices without prior approval of the Vietnamese side. Furthermore, he made illegal use of the stamps bearing the names of the Office of Southeast Asia Affairs, the World Physicians Association, and the branch office of the An Viet Company. Taking advantage of his positions as director of the Office of the Southeast Asian Affairs and as representative of the World Physicians Association, Do Anh Dung used the money contributed by many foreign charity organizations to meet his personal goals.

Immigration Changes Rules on Visa Extensions

BK2008133195 Hanoi Voice of Vietnam in English 1000 GMT 20 Aug 95

[FBIS Transcribed Text] The Immigration Department of the Ministry of Interior has announced that foreigners and overseas Vietnamese coming to Vietnam as tourists have to leave the country at the expiry of their visas without extension. The new regulations also point out that foreigners and overseas Vietnamese who enter Vietnam to work at joint ventures, represent their offices, and medical specialists will have their visas extended when companies or employing organizations elaborate on the need of visa extension.

Leftover U.S. Bomb Reportedly Kills 6 Youth

BK2108125595 Hanoi Voice of Vietnam in English 1000 GMT 21 Aug 95

[FBIS Transcribed Text] Relics from the American war are still killing people in Binh Dinh Province in southern Vietnam. The latest fatal casualties were six young people who attempted to drive open a 500 kg bomb for scrap metal and gunpowder. All the six killed were members of the Ba-na ethnic minority of Vinh Thanh village in the mountainous area in the west of Binh Dinh Province.

Local newspapers reported that this was the sixth explosion so far this year in the coastal provinces.

NHAN DAN Editorial on Aug 1945 Revolution

BK2008073795 Hanoi VNA in English 1250 GMT 19 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 19 — The August 1945 revolution ushered in a new era of national independence leading to socialism for Vietnam, says NHAN DAN in an editorial today on the occasion of the 50th anniversary of the revolution (August 19).

The paper notes that half a century ago, the entire Vietnamese nation from the north to the south rose up as one to make an earth-shaking revolution. Imperialist and feudal domination was defeated, forming the first farmer-worker state in a colonial country — the Democratic Republic of Vietnam — ushering in a new era for Vietnam, that of independence, freedom, and advancing toward socialism.

It continues to say that under the very clear-sighted communist party of Vietnam headed by President Ho Chi Minh, millions of Vietnamese rose up to gain the right to master their own destinies with an iron-clad oath that they will sacrifice all to gain back national independence.

'With indomitable spirit and under the leadership of the party and President Ho Chi Minh, Vietnam's revolution firmly advanced, making a resounding Dien Bien Phu victory and a historic spring 1975 great victory, reunifying the country,' the paper stresses.

It points out that Vietnam, with the present population of 70 million, including more than two million party members, should continue bringing into full play the strength of the nation's unity as in the days of the August revolution. The indomitable spirit of the nation at present is to do away with poverty and backwardness and not to allow any hostile forces to destroy the ongoing renovation process and to achieve the targets of a prosperous people, a strong county and a civilized society, thus bringing the country to the socialist direction, the paper concludes.

Hydroelectric Power Output Increases

BK1808114795 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Aug 95

[FBIS Translated Text] Due to an increase in additional water supplies to hydroelectric power plant reservoirs, both the power output and capacity of coal- and oil-operated power plants has decreased since early July. At times, the power output generated by hydroelectric power plants accounted for more than 70 percent of the total capacity and output of the electricity-generating sector. This helped reduce power production costs.

The Hoa Binh hydroelectric power plant had a large volume of additional water supplies. Although the Electricity General Corporation made full use of the plant's power output, the volume of additional water supply was not used up. As a result, water had to be released through spill ways.

The Hoa Binh hydroelectric power plant supplied the 500-KV powerline with sufficient power to meet the demand in the south. As a result, thermoelectric power plants in the south like the ones in Thu Duc, Can Tho, and Ba Ria-Vung Tau reduced their capacity and saved oil for the dry season.

Australia

Government Criticizes Latest PRC Nuclear Test

Evans Summons Ambassador

LD2108133295 Melbourne Radio Australia in English 1100 GMT 21 Aug 95

[FBIS Transcribed Excerpt] Australia's foreign minister, Gareth Evans, has delivered a nuclear test protest to China's ambassador to Canberra, Hua Junduo. Senator Evans said he called in the Chinese ambassador to express opposition to China's underground nuclear test at Lop Nor last week. He said China had to expect the substantial blast of international protest it had received for going ahead with its test program. Senator Evans said nuclear tests undermined the credibility of the Nonproliferation Treaty and poisoned the chances of getting a comprehensive ban on nuclear tests. The foreign minister said he told the Chinese ambassador that the arguments were the same as those used to oppose French nuclear tests in the South Pacific. [passage omitted]

Ambassador to China Protests

LD2208093995 Melbourne Radio Australia in English 0700 GMT 22 Aug 95

[FBIS Transcribed Text] Australia has formally protested to Beijing over China's continuing nuclear tests. Camille Funnell reports that the Australian ambassador today lodged a protest with the Chinese Foreign Ministry.

[Begin Funnell recording] Australia's Ambassador to China Michael Lightowler, told a senior Chinese Foreign Ministry official Canberra wanted China to stop its nuclear testing. China conducted a nuclear test last week, its fourth in the past 14 months. Ambassador Lightowler said Beijing's continued testing was putting at risk negotiations for a comprehensive test ban treaty. In response, a Chinese official repeated Beijing's stance that China has conducted far fewer tests than other nuclear weapons states and would not threaten nonnuclear states. China says it will only stop nuclear testing when a comprehensive test ban is in place. Camille Funnell, Beijing. [end recording]

Minister Hands French Envoy Nuclear Protest

LD2208101995 Melbourne Radio Australia in English 0900 GMT 22 Aug 95

[FBIS Transcribed Excerpt] [passage omitted] Australian Environment Minister John Faulkner has called in the French ambassador to deliver the strong anti-French resolution from the South Pacific Environment Ministers' Meeting in Brisbane last week. The resolution demanded an end to French nuclear testing in the South Pacific.

Government Concerned About Vietnamese Dissidents

BK2208084895 Melbourne Radio Australia in English 0500 GMT 22 Aug 95

[FBIS Transcribed Text] The Australian Government has raised concerns with Vietnam over the recent jailing of political and religious dissidents. They include a senior leader of the Vietnam Unified Buddhist Church and the head of a prodemocracy political group.

Foreign Affairs Minister Gareth Evans says the dissidents were imprisoned for the nonviolent expression of political and other beliefs. Australia has called on Vietnam to grant amnesty to political prisoners to mark next month's 50th anniversary of the proclamation of independence of the country.

Thai Nationals Sentenced for Importing Heroin

LD1808124095 Melbourne Radio Australia in English 1100 GMT 18 Aug 95

[FBIS Transcribed Text] Three Thai nationals have been jailed for life by an Australian court for importing a large amount of heroin. The life sentences imposed by a Supreme Court judge in the northern city of Darwin are believed to be the first in Australia for importing drugs. The trio had pleaded guilty to importing more than 120 kg of heroin into Australia in July last year. The court heard the drug had a street value of $300 million [Australian dollars]. When passing sentence the judge refused to set a non-parole period.

New Zealand

PRC Ambassador Summoned Over Nuclear Test

LD2108122895 Wellington Radio New Zealand International in English 0700 GMT 21 Aug 95

[FBIS Transcribed Text] China's ambassador has been given a similar antinuclear protest to that handed out to his French counterpart, even though the government believes New Zealanders are more upset with France. Huang Guifang was summoned to [words indistinct] this morning to hear the foreign minister, Don McKinnon, spell out the government's displeasure at China's underground nuclear test last week. Mr. McKinnon said China (?is hearing) the same level of diplomatic protest that was given to France, even though France [illegible] in a much weaker position because it signed a moratorium against testing and then broke it and is testing in the Pacific, not on its mainland. (?However), he says he wants China to stop testing, saying [remainder of item indistinct]

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